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# **Daily Report—**

## ***Supplement***

# **East Europe**

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JPRS-EER-93-047-S  
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28 May 1993

# East Europe SUPPLEMENT

JPRS-EER-93-047-S

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28 May 1993

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\* EC-Czech Republic Meat Trade After Embargo

\* Conditions Accepted

93CH0646A Prague LIDOVE NOVINY in Czech 28  
Apr 93 p 12

[Article by (dj): "We Are Accepting the Conditions Imposed by the EC"]

[Text] Prague—"The conditions of the Permanent Veterinary Committee of the European Community, which were communicated to us, are considered by us to be unsubstantiated and technically and financially demanding. They undoubtedly are restrictive in character," said Minister of Agriculture J. Lux yesterday.

According to him, they are motivated, much like the meat-milk embargo, not by veterinary viewpoints but purely by the protectionist policies of the countries of the European Twelve. "In an effort to ease trade with the EC, we are accepting these conditions but shall, at the same time, negotiate regarding their reduction," added the minister of agriculture. In this regard, he primarily criticized the financial costs of the conditions that, for example, impose a 15-day quarantine for exported livestock. "One feeding day costs far more than 100 korunas [Kc]," Lux noted.

The Czech Republic Mission to the EC handed a letter to the Brussels executive accepting the conditions. Both the Slovak Republic and Hungary expressed their agreement with the EC conditions.

\* EC Response

93CH0646B Prague LIDOVE NOVINY in Czech 30  
Apr 93 p 8

[Article by Jan Zoubek, in Brussels: "New Veterinary Conditions—In June, Future Membership in the EC To Be Discussed in Copenhagen"]

[Text] The Veterinary Committee of the EC spent Wednesday evening and yesterday morning evaluating the responses of those Central and East European countries that accepted the new conditions for the importation of live animals, meat, and milk products. The new conditions Czech exporters must take into account incorporate the following, among other things:

For purposes of exporting cattle, preliminary notification of the export is to be provided at the border crossing point 48 hours in advance, as well as to the appropriate office in the country to which the animals are exported. All animals will undergo a 15-day quarantine period. After eight days of quarantine (all animals intended for breeding, in the case of exports for slaughter purposes, a randomly selected 10 percent), the animals will be subjected to a blood test. For purposes of exporting hogs, it is sufficient to present a certificate of veterinary inspection. Fresh meat is exported

in sealed containers, with the number of the seal listed on the certificate. The export of other products continues to be possible, provided conditions for their appropriate thermal processing are met. The commission even discussed a revised version of its proposal to permit speeded-up liberalization of commercial relationships with countries of Central and East Europe. The proposal suggests a further opening of the EC market to products from Central and East European countries in comparison with the situation negotiated within the framework of association agreements. The commission is demanding that the June summit in Copenhagen accept this proposal and provide a precise response to the countries of Central Europe regarding the question of their future membership.

\* No Reciprocal Measures

93CH0646C Prague LIDOVE NOVINY in Czech 5  
May 93 p 8

[Article by (dj): "Meat Continues To Be Traded—The Transit of Polish Animals Through the Czech Republic Is Halted"]

[Text] Prague—On Monday, the Czech Republic accepted the conditions for the importation of live animals, meat, and meat products to countries of the European Community. Even though veterinarians, and particularly businessmen, felt that they were extremely strict, it is clear this is the only opportunity to revitalize our "agricultural" trade with the EC at present.

Veterinarians from Poland have another opinion. Poland, as the only country in the Visegrad Group, rejected the conditions imposed by the West European Twelve. Our northern neighbors are primarily opposed to the obligatory 15-day quarantine period for exported livestock and to the expensive serological tests. As the director of the State Veterinary Directorate of the Czech Republic, A. Kozak, told LIDOVE NOVINY, the Polish veterinarians most likely reacted the way they did because scattered Polish agricultural farms in essence make effective and organizationally manageable quarantine impossible. Measures taken by the Polish Veterinary Service will, according to A. Kozak, not have any effect on Czech-Polish trade. "They will only result in halting the transit of Polish livestock across our territory to the markets of third countries," he said. Czech-Polish trade will continue to be governed by veterinary regulations that are valid in both countries.

Responding to the question of whether the Czech Republic will adopt measures with respect to goods imported from the EC that are similar to the measures imposed by the countries of the European Twelve on our goods, Kozak stated that we shall only require that the deadlines for the delivery of livestock be reported and shall demand a 100-percent serological investigation.

**\* Entz: Budapest Does Not Interfere in Minority Affairs**

93CH0609C Bratislava SZABAD UJSAG in Hungarian  
23 Apr 93 p 1

[Interview with State Secretary Geza Entz, chairman of the Hungarian Government's Office for Hungarians Living in the Neighboring Countries, by Agnes Czibulya in Szombathely; date not given: "There Is No Need for Tutelage"]

[Text] *The Hungarian Pax Romana recently held its 35th congress in Szombathely-Vep. State Secretary Geza Entz, the chairman of the Office for Hungarians Living in the Neighboring Countries, attended the congress and met with the representatives of ethnic Hungarians living as minorities beyond Hungary's borders. We interviewed him at that meeting.*

[Czibulya] Sir, the successor states often accuse Hungary of unwarranted interference in the affairs of the ethnic minorities living on their respective territories, of mothering the ethnic minorities. What is your opinion of these accusations?

[Entz] My opinion is that such accusations by the successor states' political forces are quite natural. For this is their defense against having to comply with demands to change their policies and attitudes toward the minorities living on their territories. In most cases, these political forces lack even a clear conceptual plan. They are full of fears. In relation to Hungary, of course, their fears are entirely without foundation. After all, Hungarian politics demonstrates day in and day out that it wants to shape its activity in the spirit of European integration, and that also its strategy and tactics stem from there. Some people find this hard to imagine and believe, because they start out from themselves when judging others. They attempt to defend the still existing status quo ante, which is to their advantage. A natural concomitant of this is to make accusations that cast doubt on the other side's international acceptability. Hungary must start out from the fact that the ethnic Hungarians living beyond our borders—in the neighboring countries, in other words—enjoy very considerable political legitimacy, confirmed repeatedly in the general and local elections. Which means that the Hungarians as an ethnic group wish to live. By taking part in the given country's elections and in the work of its parliament, the ethnic group has accepted the state and has expressed the level of loyalty that the state can expect of it. But it should be borne in mind that loyalty, which is often set as a precondition for the ethnic minorities, is a function of the degree of freedom they enjoy. No loyalty can be expected of a person whose freedom is not guaranteed and is constantly curtailed, whose development is continually hampered, and whom the state wants constantly to expel.

[Czibulya] But the ethnic Hungarians living in the neighboring countries feel that the motherland is not doing enough for them. Are these feelings justified?

[Entz] In itself the fact that the ethnic Hungarians in the neighboring countries have such strong political legitimacy (in Romania, on two separate occasions, the RMDSZ [Democratic Association of Hungarians in Romania] received a million votes each time; and a similar situation developed also in Slovakia, for instance) makes it possible for us not to interfere in their affairs. They do not require any tutelage on how to administer their own affairs or how to formulate their objectives. The aspirations they express are entirely compatible with the system and structure of parliamentary democracies on the one hand; and with the larger European processes and norms, which are obvious not just to Hungarians and can be summed up under the concept of "European integration," on the other hand. For that very reason, Hungary and the Hungarian state declare their solidarity with the ethnic Hungarians living in the neighboring countries, but leave the decisions entirely up to them and do not wish to interfere in their decisions. To the best of its ability, the Hungarian state is striving to develop an international, diplomatic and political climate in which these aspirations become acceptable. In that respect, diplomatic assistance can be provided. Not by the Hungarian government, but by Hungarian society. We are providing comprehensive assistance to the ethnic Hungarians in the neighboring countries: for instance, in education, in the rehabilitation of their cultural or health-care institutions, and in every level of professional training. The country is doing what it can and is able to afford. Overnight, of course, it is not possible to dislodge the world from its axis, create an entirely new situation and make everybody happy.

Freedom does not necessarily lead to happiness.

**\* Carpathian Region Economic Chambers Sign Agreement**

93CH0618A Budapest NEPSZABADSAG in Hungarian  
22 Apr 93 p 5

[Unattributed report: "Carpathian Chambers; Regional Economic Agreement"]

[Text] The Ukrainian, Slovak, Polish, Croatian, and Hungarian regional economic chambers signed a cooperation agreement of Carpathian chambers in Lillafured.

Last December, representatives of the countries passed a declaration of intent on the necessity of closer cooperation between regional chambers of economy and commerce. Organized by the North-Hungarian chamber of economy, the signing of the cooperation agreement took place yesterday in Lillafured. The leaders of the chambers of Kassa [Kosice] and Nagymihalyi [Michalovce] (Slovakia), Lemberg and Ungvar [Uzhgorod] (Ukraine), Rzeszow (Poland), Fiume [Rijeka] (Croatia), and Miskolc [Hungary] resolved to facilitate economic ties. The president of the Nagyvarad [Oradea—Romania] Bihar county chamber of commerce and industry was not present for technical reasons, but he indicated that he will be prepared to sign the agreement at a later date. The contracting partners agreed to a continual exchange of information. Through market analyses, by

forwarding business offers from their respective regions, and by publishing counteroffers, they will try to enhance economic and business relations. They will also assist each other in the organization of fairs, business negotiations, and exhibitions. In order to eliminate factors in the way of cooperation, they will attempt to influence the process of economic legislation in their respective countries.

They decided to create several working committees with the aim of coordinating tourism, shipping and transportation, industrial cooperation, the development of trade, information science, economic regulations, and area development. The cooperation agreement of the Carpathian chambers is open-ended, and representatives of other regions are welcome to join.

**\* Zhelev, Presidential Clique Destroyed SDS Government**

93BA0870A Sofia OTECHESTVEN VESTNIK in Bulgarian 19 Mar 93 pp 1-2

[Article by Dr. Georgi Bozduganov: "Moscow Did Not Allow Us To Carry Out Independent Policy: A Documentary Story From the Kitchen of Bulgarian Diplomacy: The Recognition of the Republic of Macedonia—An Expression of the Will for Independent Foreign Policy"]

[Text] In the afternoon of 15 January 1992 Filip Dimitrov's government is holding a dramatic meeting. The European Community arbitration committee has already determined that only two of the former Yugoslav republics, Macedonia and Slovenia, are countries complying fully with the criteria of independent states. Most of the European Community members, however, are inclined to recognize Slovenia and Croatia, and under pressure from Greece, plan to abstain from officially recognizing Macedonia.

The idea that Bulgaria should wait for other countries to declare their decision before announcing its position, prevails at the beginning of the Council of Ministers' meeting. Aleksandur Yordanov, chairman of the Foreign Policy Committee at the National Assembly, who is participating in the meeting, has a similar opinion. He returns to Parliament after becoming convinced that there is an inclination to postpone the decisionmaking. Even though Stoyan Ganev, the foreign affairs minister, should have been back in Bulgaria that same evening, he sends an urgent radio message expressing his categorical position that we should wait for the former Yugoslav republics to be recognized.

The meeting continues. Prime Minister Filip Dimitrov supported by some ministers, does everything possible to convince the remaining cabinet members of the enormous importance for Bulgaria to recognize the independence of the four former Yugoslav republics precisely on the day the European Community's arbitration decision becomes effective. His reason is that it would be an unequivocal gesture which would show that Bulgaria has no territorial claims for Macedonia. And for the first time in centuries it will show the world that its foreign policy is independent by rejecting the Balkan-axis thinking which only takes into consideration the international criteria for conduct.

Filip Dimitrov does not hide his concern that if the government does not recognize Macedonia during precisely this meeting, Stoyan Ganev will do everything possible to frustrate this act of the cabinet. The pro-Moscow leaning of the foreign affairs minister has already become apparent in some of his speeches made during his trip to the Arab world at the beginning of 1993, as well as his attempt to destabilize the government two weeks after its formation by resigning from Parliament.

Bulgaria is in a very delicate situation. If it is not the first to recognize Macedonia, it may be blamed later for taking into consideration the policy of third countries such as Turkey or Russia. There are convincing grounds to believe that Turkey

is also on the way toward recognizing the four former Yugoslav republics at the same time. If the Bulgarian government reacts after this country [Turkey], an extremely negative domestic policy effect would result. Communist propaganda has created the impression that our government's activities are directed from Ankara. As an example of this approach, there are dozens of articles reprinted from "independent" Greek papers in DUMA, TRUD, 24 HOURS, and later in KONTINENT which set forth the thesis that the Bulgarian government is dependent on Turkish policy represented in Bulgaria by the leaders of DPS [Movement for Rights and Freedoms].

There are two big lies in this thesis. The first one is that the Bulgarian government is led by Turkey's interests, and the second one is that Akhmed Dogan and the DPS leadership are instruments of the official Ankara policy in Bulgaria.

Prime Minister Filip Dimitrov has another, significantly more difficult problem regarding Russia. If Bulgaria delays recognition of the four former Yugoslav republics, Moscow would be able to return to the Balkans as an arbitrator mainly between Eastern Orthodox countries. In the eyes of the world, for decades in a row, Bulgaria was Moscow's most loyal satellite; however, the KGB network in Athens and Belgrade was not much weaker. The mention of the thesis that a long religious war between Christianity and Islam, and later, when Slovenia and Croatia turned to the West, between the Eastern Orthodox religion and Catholicism, had and continues to have one goal in the Balkans: the return of Russia (the Big Eastern Orthodox Brother) to balance the peninsula. Of course, recognition of Macedonia's independence would also have a key domestic political and historical significance for Bulgaria.

Our nation has traveled the long and bitter path toward accepting reality. Even though Macedonia is flesh of Bulgaria's flesh and blood of Bulgaria's blood, any small step or even hesitant hint of unification would prolong the tragedy which started with the Berlin Congress, passed through the bloodsheds of two Balkan wars and the tragedy of the thousands of Bulgarians killed on both sides of the present borders between Bulgaria and Macedonia, and Bulgaria and Greece. The betrayal of the Bulgarian communists in the Komintern decision regarding the existence of the Macedonian nation, as well as the BKP's [Bulgarian Communist Party] violence against Bulgarians from the Pirin area who refused to be registered in their passports as Macedonians, is remembered well. Solomon's proverb about the two mothers and the child they had to divide has no clearer expression in modern history than in Bulgaria's feelings for Macedonia.

The meeting of the Council of Ministers continues. Filip Dimitrov manages to convince several other ministers in the urgent need for Bulgaria to recognize the independence of all four former Yugoslav republics as early as 15 January [1992]. Parliament members from the SDS [Union of Democratic Forces] are again called on the telephone, but the prevailing opinion is that other countries should act on the recognition first. The argument that it is better to wait for Stoyan Ganev to come back is heard more and more often. Few are those in SDS who understand the real role played by

the foreign affairs minister and do not realize that delay could mean no recognition. At about 7 p.m. the prime minister takes all the responsibility upon himself. Together with some of the ministers he goes to the National Assembly and several minutes later announces the Bulgarian government's position from the podium. This is not only the most important political decision of his whole career, but perhaps the most significant act of the Bulgarian government of the century. SDS deputies stand and enthusiastically approve the government's act. Applause is heard here and there from the rows to the left, but the BSP [Bulgarian Socialist Party] parliamentary group members remain seated. The television camera records for generations to come the hostility apparent in the faces of the communist deputies.

#### **One Year Earlier: Chronicle of a National Betrayal**

In July 1991 the Grand National Assembly adopted the fourth consecutive Constitution of Bulgaria. By decision, a second oath was required by the Constitution. This was a move designed to throw out of Parliament any deputies who did not sign the fundamental law. The real goal, however, was much more dangerous for Bulgaria's national security. In practice, the Grand National Assembly was to be left without any majority elected deputies from the Pirin Macedonia region at a time when the disintegration process in Yugoslavia was intensifying; at a time when extreme nationalism was exploding and the horrible bloodsheds were starting in the artificially created federation. The Union of Democratic Forces announced its foreign policy doctrine titled "Contemporary Regional Openness." It rejected emphatically any formation of axes in the Balkans and recommended that problems be solved with the participation of European and other international security systems. In those days Filip Dimitrov publicly announced that if the war in Yugoslavia escalates, the use of military force by the international community should not be ruled out. In several statements made over the radio, BTA [Bulgarian Telegraph Agency] and in the Demokratiya newspaper, the chairman of the NKS of the SDS [Union of Democratic Forces] expressed his profound concern regarding the VNS's [Grand National Assembly's] antinational decision to expel from the Bulgarian Parliament all majority elected deputies from the Pirin Macedonia region. He also emphasized that this is being done at a time of increasing destabilization in the Balkans and increasing danger of military activities outside Yugoslavia's borders. The Grand National Assembly was forced to retract its decision to require a second oath.

After the SDS government recognized the independence of Macedonia and three other former Yugoslav republics on 15 January 1992, Filip Dimitrov gave President Zhelev the opportunity to use this executive act in Zhelev's election campaign. The president was not directly responsible for the recognition of Macedonia, nor did he have the constitutional right to make such decisions. Months later it became clear that the president acted the way he did on the day of the recognition only because of his interest in getting elected. His subsequent actions not only did not reflect the government's foreign policy, but quite the opposite: They tried to block its line. The purpose for the behind-the-scenes blackmail by General Asparukhov, chief of First Main

Administration of State Security, was not so much to bring down the SDS government, as to effect a blow on Filip Dimitrov's independent Balkan policy and thus help restore the Russian influence on Bulgaria's foreign policy. The intelligence department, acting directly under the president without any control from the executive power and parliament, hampered the Cabinet's work during the entire year SDS was in power. The government was either not getting the necessary information, or the information was sparse, outdated, and generally unsuitable to be used in making foreign policy decisions. When the information blockage tactics did not work, General Asparukhov and others from President Zhelev's inner circle undertook the Macedonian operation. It was directed not simply against Filip Dimitrov or the SDS government. The target of the arms deal fabricated in typical KGB school style, were also Bulgaria's interests. It is impossible to justify the treason committed by communist officials during the last 50 years. At least the full integration with the Soviet Union, or the violence in the Pirin Macedonia region, when viewed in the context of the times, can be explained. What cannot be explained, however, is what President Zhelev did. Bulgaria's attempt to carry out independent policy was impeded not by some international plot, nor by a world war, nor by the presence of foreign military forces on our territory. For the first time in more than a century when we had the chance to carry out foreign policy without any crude intervention from abroad, the head of state and his clique made up of communist generals and Soviet-trained people brutally crushed it.

#### **\* National Assembly Official Shkolagerski Profiled**

93BA0870B Sofia 168 CHAS4 in Bulgarian 23 Mar 93  
pp 16-17

[Article by Daniela Teofanova: "Shkolagerski Loves the Music of the Laws; The Vice Chairman of the National Assembly Likes *Winnie-the-Pooh* and *The Little Prince*"]

[Text] Nothing in Parliament bothers Deputy Yordan Shkolagerski, because as a lawyer he has seen all kinds of wonders and verdicts. "A hardened professional like me cannot be astonished by the political moves, the speeches addressed to the voters or the statements made, there is time for everything on the floor, but everything has to be done with moderation," the deputy whose credo is: "I love the music of the laws."

Yordan Shkolagerski, the 58-year-old lawyer considered brilliant even by his opponents, received 127 votes and was elected vice chairman of the National Assembly on the eve of the Blue conference. While his right-wing colleagues made propaganda fuss and spoke of early elections, he stated that he will devote himself to the laws. A person who has accomplished thousands of deeds does not suffer from "microphone" disease. He speaks when necessary. "He does not suffer from unnecessary self-complacency and he always prepares his speeches carefully, and when drafting laws he always seeks the advice of experts and forms a team around himself." This, according to Deputy Stoyko Penchev, means that Shkolagerski is a "manager in the field of law." Many of his colleagues turn to him for legal advice, while regular

visitors to Parliament have witnessed more than once how even the dark-blue ones run over from the right side to the left to ask: "Dancho [diminutive of Yordan], what do you think of such-and-such bill?"

"Because he is not a narrow politician, but a broad-minded individual, Shkolagerski cannot separate the national interest from the political," his colleagues Ivan Gaytandzhiev and Yovcho Rusev say. During the plenary discussion on the changes in the rules for the "Lukanov case," he acted not on the thesis of the threatened immunity for the BSP [Bulgarian Socialist Party], but for the rights and dignity of all deputies. Free thinking is a personal characteristic of his, they feel.

In 1976, at the age of 40, having already achieved prominence in the profession and reelected as an alternate member of the Lawyers' Council, Yordan Shkolagerski was offered to become a member of the BKP [Bulgarian Communist Party]. Years before, at a competition for a postgraduate fellowship in civil procedure, his documents were returned with a note that he was not accepted. As it turns out, the reason was an informer's report to the authorities about his parents. In the sixties, almost by chance, he "won a competition" to work with the bar. Shkolagerski is the third and only one who got the position because of his score (the first two were the children of "honored" parents, while he came from an ordinary family of teachers). His boss tried for a long time to "redirect" him to become legal adviser and kept secret for a long time that the young attorney was hired by order of the Ministry of Justice. During the sixties and the seventies the struggle to make it in the bar was very difficult. "I have done everything I could get my hands on; there was no specialization; it was a struggle for survival. I was lucky." In addition to being ambitious and diligent, he is also a romantic: "I was fortunate to work with wonderful people in the Sixth Lawyers' Collective group. The advice I received from Dr. Denev, one of the greatest Bulgarian attorneys, which I have followed throughout my legal career was: 'You should not take money for advice. Never look on your client as a person from whom you can get money. It is more important to find a way to help him. The money will come later by itself.'"

Yordan Shkolagerski did not change his color after the Tenth [10 November 1989] even though he could have: He has all the "biographical" prerequisites. The fact which makes him center of some speculations is that he accepted the job of defense attorney for Todor Zhivkov in the Number One case. He did not agree immediately, but several months after the initial request was made by his colleagues Daniela Dokovska and Reni Tsanova. It was then that he met the former secretary general for the first time; he expressed confidence in the attorney's abilities. "I participated in the first phase—the collection of evidence and questioning of witnesses—until I ran for the seat of parliament member for the 24th multiterm electoral district. Not every lawyer gets the chance to defend a president," Yordan Shkolagerski says in response to the question why he took

the job of attorney for the defense. During that period a young man called him on the telephone and threatened to kill him. "Do not kill the lawyers, for tomorrow you too may need me; why don't you agree that if necessary, you too would want to be defended by the one who defended Zhivkov," Shkolagerski assures him and...they become friends over the telephone.

"Everyone who participates in a criminal trial defends a person accused of a crime. Every accused person is considered innocent until found guilty," he adds. The lawyer has also told his friends from Parliament about his favorite cases. Some of them involved defending people from the Turkish minority.

One of his favorite is the case of Kezim who was forced to give up his apartment in an apartment co-op in Ruse during the "great excursion." "We won the case in 1992. Another family had moved in Kezim's place in the co-op, however, they appealed, and the Ruse okrug court reversed the decision. I did not participate in the process because I remained true to my decision not to practice as an attorney while a deputy. The injustice was obvious: The family which also had [another] one-bedroom apartment, according to the Ruse okrug court owned Kezim's apartment, while Kezim who had worked for it was going to be left with his family out on the street..."

Somewhere in the mid-1980's Yordan Shkolagerski became attorney for Deribeev, engineer, and Tencho Dimov, architect, accused of fabricated white-collar crimes. He began receiving threats over the telephone from an "anonymous source from the MVR [Ministry of Internal Affairs]" that he will fall into their clutches. The attorney, however, continued the defense. Later Kezim, the engineer Deribeev, and the architect Dimov became his friends.

As a lawyer, Shkolagerski feels that it is normal for the majority to rule everywhere in the world according to the laws it passes. There is nothing unusual that for more than a year the BSP was losing in law-making powers and now SDS is losing. This does not mean that we must act like offended children, the new vice chairman of the National Assembly feels. "To refuse to cooperate when laws are being passed is not the best road toward elections." According to Yordan Shkolagerski, the new majority, so much advertised by the Blue ones, is pure speculation. Those who elected Dogan are among the poorest in society. If DPS [Union of Democratic Forces] had not relied on the social element, it would have betrayed its constituents. Taking it into consideration, on the other hand, naturally brings the DPS deputies and the BSP deputies closer. This is when similar interests were shown more often, not coordinated activities. It is this similarity that gives the impression of the so-called new majority.

The deputies say many good things about Yordan Shkolagerski. There is something, however, that even his friends do not know much about, namely that at home, on his desk there are always two of his favorite books: *Winnie-the-Pooh* and *The Little Prince*. For the soul.

\* Smoothing Out Differences in Division Controversy

\* Brno Meeting

93CH0645A Prague LIDOVE NOVINY in Czech 3  
May 93 p 1

[Article by Petr Husak, in Brno: "Klaus and Meciar Say That Negotiations Regarding Property Will Continue"]

[Text] Prime Ministers Vaclav Klaus and Vladimir Meciar have agreed to renew the negotiations conducted by the property commission; the dividers of federal property will meet at the end of the week.

The results of the talk, which came to an end in Brno's Tugendhat villa shortly before midnight on Friday, were evaluated by the chairman of the Czech Cabinet as follows: "This meeting opened the way for further agreements and facilitated a return to standard negotiations regarding the division of the remaining property of the federation." After several hours of one-on-one discussion on the terrace of the villa, previously formulated zero and superzero variations were considered.

However, key questions pertaining to the division of property remain open. In the matter of dividing the assets and liabilities of the former State Bank of Czechoslovakia, the prime ministers agreed that mixed commissions of experts would judge the results of an international audit, according to which Slovakia owes 24.7 billion korunas [Kcs]. "I respect the fact that that is a high amount for the Slovak side. That is why we agreed with Mr. Meciar that one more round of verifying the amount would take place," said V. Klaus. According to him, the composition of the expert commissions should be determined as early as the beginning of the week. According to sources close to the Czech Government, the "verification" of the debt should not take longer than a month.

In response to the question of whether the end result of the work of the commission would be the final signal for a political decision by the Slovak Cabinet to settle the claim resulting from the division of the State Bank of Czechoslovakia, Prime Minister Meciar stated that the Slovak side first wants to take another look at the amount and the reasons for the debt and only then will further steps follow.

Responding to the question of whether the government is willing, even after these negotiations, to withhold securities from Slovak holders of investment coupons, the Czech prime minister stated that the Czechs basically never cast any doubt on the final issuance of securities to Slovak holders of investment coupons but always acted seriously only in terms of temporarily halting this issuance. V. Klaus refused to be more specific. According to information obtained by LIDOVE NOVINY, the Czech Cabinet continues to consider the more rapid issuance of securities to citizens of the Czech Republic, whereas it is holding back on issuing those securities to Slovak holders of investment coupons.

On Friday, V. Meciar asked V. Klaus to verify whether the information on blocking the accounts of certain Slovak

organizations in the Czechoslovak Bank of Commerce was true, and, if so, requested that the accounts be unblocked. According to Meciar, their blocking is not in the spirit of joint negotiations, nor is it in the spirit of the international legal code.

According to the Czech prime minister, the separation of these most important property-legal problems from the other points of contention—that is, from those based on Slovak claims such as the enumeration of compensation for the flag, for federal know-how, for villages on the Spis and Orava Rivers, and so forth—amounts to an express success of the Friday discussions.

\* Editorial Questions Workability

93CH0645B Prague LIDOVE NOVINY in Czech 3  
May 93 p 1

[Editorial by Petr Husak]

[Text] Shortly before midnight, Vaclav Klaus, together with Vladimir Meciar, characterized the results of the hastily convened Friday meeting on the resurrection of the division of the remainder of federal property as a breakthrough in their negotiations. In front of the television cameras, the Czech prime minister stated that he is convinced that Vladimir Meciar has undergone a shift in mental attitude.

In what sense, if the claim of 24.7 billion korunas [Kcs], which was confirmed by an international audit as the sum the Slovak side owes the Czech National Bank following the division of the balance sheet of the former State Bank of Czechoslovakia, and if a mixed commission of experts is to reexamine that amount—in other words, if the amount can again be subject to litigation, even with regard to investigating its origin? How, if on that warm evening on Friday on the terrace of the Brno Tugendhat villa, additional demands were raised involving the "flag, villages," demands that are so absurd that Vaclav Klaus decided, for the time being, that he would rather not utter them?

The shift of which the chairman of the Czech Government speaks consists of, if we make use of the prime minister's comparison, Meciar's willingness to move matters that have hitherto interfered with things from the first floor to the second floor. The Slovak prime minister continues to raise peculiar demands and yet agrees that negotiations on questions of standard and clearly enumerative questions take priority. He thus made room for negotiations regarding the most substantial claims, the resolution of which should help in regard to subsequent procedures involved in dividing the remainder of the federal property.

Why did he do so? He allegedly understood the force of the Czech arguments. He understood that Vaclav Klaus is determined to hold back securities belonging to Slovak holders of investment coupons as long as the situation demands it. He also understood that the Czech side is prepared not to hear his outbursts, which are intended for Slovak voters, to whom he must prove that he is continuing to fight for Slovak assets, which the "evil Czechs" stole and continue to hold back, because he is thus fulfilling one of the few promises contained in his own election program.

In other words, Klaus did not go to extremes. He gambled on an elegant political game and left Meciar enough room for that vaunted "second story." It is only a question of whether the Slovak prime minister is prepared to respect that game or will attempt to come down a floor with his talk of flags and villages at the first opportunity.

#### \* Summit Premature

*93CH0645C Prague LIDOVE NOVINY in Czech 5 May 93 p 1*

[Unattributed article: "Disparate Opinions Exist With Respect to the Czech-Slovak Summit"]

[Text] Prague—On Monday, on Czech television, Vaclav Klaus characterized as a premature step the fact that V. Havel accepted the invitation of the Slovak side to meet at the highest level in conjunction with dividing federal property. Yesterday, in the program "Radio Journal," the prime minister pointed out that, in the past, the "pilgrimage-type visits to castles and chalets" of the former Czechoslovakia and the creation of groupings of people who have no immediate authority to do one thing or another had not led very far. In his opinion, it is necessary to proceed by standard methods. He said a new political initiative is called for the moment progress made by these property commissions is somehow halted.

President Havel is adhering to his position that his agreement on a meeting between presidents, prime ministers, and ministers of finance and foreign affairs of the Czech Republic and the Slovak Republic, about which he consulted Prime Minister Klaus, was not conditional upon anything. Journalists were told that by presidential spokesman L. Spacek. According to him, the president understood that the meeting was to take place even in the event the commissions failed to reach any kind of conclusion.

Also, President M. Kovac is counting on the meeting, even in the event the property commissions fail to come to an agreement.

#### \* Slovak Demands

*93CH0645D Prague MLADA FRONTA DNES in Czech 6 May 93 p 1*

[Article by (tk, tma): "Astonishment Regarding Billions of Dollars—Klaus Says: Meciar's Words Are a Joke"]

[Text] Prague—Yesterday, Prime Minister Vaclav Klaus characterized the statement made on Tuesday by Vladimir Meciar in Vienna that the Czech Republic owes Slovakia \$17.7 billion [currency not specified] as being so laughable and facetious that he does not feel the need to analyze or challenge it. "Those sentences do not reflect the content and style of the negotiations we conducted in the Tugendhat villa in Brno on Friday," Klaus pointed out. A high-ranking official of the Czech Ministry of Finance, in fact, stated yesterday that the Meciar demand is "insane" and that the prime minister had acquired documentation for those demands "obviously in a psychiatric institution."

In the event the Friday negotiations of the property commissions regarding the division of property do not bring satisfactory results, the Klaus Cabinet will not be willing to attend the Czech-Slovak summit negotiations. In such a case, the gradual freezing of property questions would most likely occur.

The press spokesman of the Czech National Bank, Martin Svehla, noted: "The Czech National Bank has already provided all of the necessary information regarding the balance sheet of the former central bank. That terminates our opportunity to further clarify the property relationships between the two republics."

Yesterday, the Meciar press spokesman, Ondrej Hrnko, refused to confirm or deny the statement by Prime Minister Meciar regarding the debt owed by the Czech Republic to the Slovak Republic in the amount of \$17.7 billion. According to Hrnko, an official statement will be issued today. However, some reports say that, according to Meciar, Slovakia intends to demand compensation from the Czech Republic for the annulment of mutual claims involving Germany for the time period when the German-Czechoslovak agreement was being concluded. Allegedly, in that case alone, the amount mentioned is \$3.3 billion.

#### \* Convertibility Seen as Component of Entry to EC

*93CH0635B Prague EKONOM in Czech 5 May 93 pp 15-17*

[Article by Jiri Pospisil: "Prospects of Convertibility for the Czech Koruna"]

[Text] One of the fundamental pillars of economic reform that was initiated in 1991 was the liberalization of foreign trade and the convertibility of the currency within the framework of the current account of the balance of payments connected therewith. The purpose of introducing convertibility (and the liberalization of foreign trade) was to expose our manufacturers to the actions of world prices and, given the current price liberalization, to initiate the process of adapting domestic relative prices to average prices abroad, something that is generally considered to be a condition for the allocation of resources according to comparative advantages of any one economy. In its consequences, this leads to developing the most advantageous structure of production, to maximizing the effectiveness of utilizing the resources of a given country.

Convertibility of the currency encompasses the following:

- The obligation of foreign exchange Czech national legal entities to sell off all foreign exchange holdings to commercial banks (having a foreign exchange license).
- The right of these entities to pay their obligations abroad, obligations resulting from the importation of goods and services.
- The function of the central bank as a guarantor of convertibility, with the commercial banks having the right to buy foreign exchange for the purpose of covering their own positions (or the duty to sell

surpluses), in accordance with regulations promulgated by the central bank.

A component of the introduction of convertibility was the election of a level and regime of the foreign exchange rate and the creation of adequate foreign exchange reserves. Under our conditions, it turned out to be most advantageous to introduce a stable foreign exchange rate at the starting level of 28 Czechoslovak korunas [Kcs] per \$1.

Today, after more than two years, we see that this step was successful because:

- Exports to developed countries rose by approximately 50 percent, compared to 1990, and fully made up for the collapse of the CEMA market.
- The stability of the koruna rate of exchange was preserved.
- The external balance of the economy was maintained or improved, something that was manifested in the lowering of net indebtedness of that state with respect to foreign countries in convertible currencies to the current level of less than \$700 million (the difference between assets, that is, between foreign exchange reserves and other assets, including enterprise accounts receivable from abroad, excluding claims whose returnability is under threat, and liabilities—that is, the total obligations of the government—of the banks as well as of the enterprises with respect to foreign countries without direct investments). In non-convertible currencies, we are creditors to the extent of \$4.5 billion.

These results are incomparably better than those of the other countries of the former Eastern bloc. This has made it possible as early as approximately the middle of last year to formulate the first notions regarding the transition of the koruna toward full convertibility. The successful implementation of the currency separation, the stabilization of foreign exchange reserves, and the good results achieved by the Czech economy make these considerations topical, even for the Czech koruna.

According to the statutes of the International Monetary Fund, the convertibility of a currency in the narrower sense is perceived as an obligation of a member country to buy up the remainder of its currency being held by another member of the IMF, resources that are the result of operations in the current accounts area of the balance of payments, in return for special drawing rights or for the currency of the member requesting the purchase. A broader interpretation defines full convertibility as the relaxation of the national currency for use in payment in international transactions and the relaxation of restrictions in the area of the capital account (which is an obligation that, for example, the IMF does not impose upon its members). A number of developed countries changed over to this broader interpretation of convertibility during the course of the 1980's.

The advantages connected with the full joining of our economy in the international division of labor and the efforts to join the European Community require, among other things, even the adaptation of the economic mechanism of the entering nation, in such a way that it be

compatible with the countries with which the entering country intends to develop close collaboration and into whose integrational grouping it intends to enter. This even anticipates the existence of a freely convertible currency and its ties to the ECU [European Currency Unit] currency basket.

At the present time, the attained convertibility of the Czech koruna is restricted as follows:

1. In the area of the current account of the balance of payments, the realization of unilateral transfers generally requires permission from the Ministry of Finance. Permission is requested in accordance with individual line items only in relationships with certain countries or after a certain level of payments has been reached.
2. In the capital account area of the balance of payments, regulation exists governing the influx and the outflow of capital.
3. The tradability of the koruna with respect to foreign countries is not made possible by the foreign exchange law. Convertibility applies only to Czech entities, and Czech currency cannot be used to make payments from abroad or to foreign countries.
4. The access of private Czech individuals to foreign exchange resources is regulated by the stipulation of a limit of exchange as set for individual years and by restricting the exchangeability of foreign exchange for travel agencies for the purpose of outfitting tourists with foreign exchange.
5. In buying and selling foreign exchange, the commercial banks must adhere to rules stipulated by the central bank for the regulation of their open foreign exchange positions.

These restrictions are based on the foreign exchange law, Law No. 528/1990 Collection of Laws [Sb.] and its amendments.

The road to complete convertibility will lead via the gradual weakening of these restrictions and, in the end, to their rescission. Moreover, it will be necessary to create technical conditions (this is particularly a matter of developing appropriate instruments, a foreign exchange market, a change in the mechanism of its functioning, and a change in the method for establishing the rate of exchange for the Czech koruna).

The realization of all of the above steps is not possible at one time, but it must be approached in accordance with created substantive and technical prerequisites in such a way that the existing stability of the system is not threatened, and that unnecessary revaluation or devaluation pressures are not caused. The process of attaining full convertibility of the Czech koruna will be developing simultaneously in several key regions.

#### I. Additional Expansion of Internal Convertibility

In 1992, liberalization measures were taken that signify the practical end of the process involved in the transition to internal convertibility in the current account.

The amendment to the foreign exchange law created the prerequisites for the application of the principle of internal

convertibility of the koruna with respect to all business entities (expansion to apply also to businesses not registered in the Enterprise Register). As of 1 January 1993, the import surtax on imports of consumer goods, which amounted to 10 percent, was eliminated. The remaining fully unliberalized area in the current account of the balance of payments—that is, unilateral transfers (pensions, gifts, alimony payments, and so forth)—will be liberalized gradually on the basis of reciprocity (involved in the relationship with partner countries). As the change is made to external convertibility of the Czech koruna, these restrictions will virtually lose their importance.

## II. The Liberalization of Capital Streams

Even today, foreign exchange for nationals can, within the framework of agreements to protect and support investments, repatriate (exchange for convertible currency and transfer this currency to its country of origin) the following:

- Interest and profits from investments in the Czech Republic [CR].
- Salaries, honoraria, and so forth.
- Property invested in business ventures after their termination.

This fulfills the basic conditions for "safe" investing in the CR.

In the area of capital streams, however, currently there are restrictions applied that regulate the outflow of capital, particularly as follows:

- Direct investments by our companies and businessmen abroad.
- Purchases of foreign securities and real estate.
- The granting of financial credits.

There also exist certain forms of regulation applicable to the influx of foreign capital:

- For the purpose of direct investment in this country, where foreign capital is entering an existing state enterprise.
- For the purpose of exporting Czech securities and buying real estate in the CR.
- For accepting financial credits from foreign exchange foreign nationals.

These transactions require foreign exchange permission issued by the Czech National Bank [CNB] or, possibly, by other organizations (according to the foreign exchange law).

In the area of capital influx, fundamental liberalization is possible in conjunction with the development of the capital market in the CR. In the first phase, it is possible to anticipate the liberalization of the approach toward accepting financial credits from abroad on the part of the enterprise sphere. But, even today, the necessary permits of this type are being granted with much benevolence. Another important impulse will be the completion of the first wave of coupon privatization, which, in my opinion, will stimulate an additional influx of not only direct but even portfolio-type investments from abroad, which have hitherto not been terribly important.

There is no clear agreement on how effectively a state, which has achieved convertibility in the current account area, can influence (regulate administratively) any possible movement of capital out of the country. The majority of developed nations virtually applied these practices for entire decades. In the current world, which is informationally and economically integrated, it is more complicated.

The fundamental condition for the influx and the retention of capital in the CR is, of course, the creation of suitable stable economic conditions. But it is not possible to underestimate the possibility of the speculative behavior resulting from the existing differences, including institutional ones, that exist between the CR and foreign countries. It is necessary to protect the economy against speculative movements of capital and to apply even effective forms of administrative restrictions to the extent that is necessary.

Foreign exchange foreign nationals, particularly those from countries with which our state has concluded agreements involving the support and protection of investments, can already today freely transfer both profits and interest, and, possibly, other proceeds from invested property, as well as property invested in this country, in freely convertible currencies. The sole exceptions are resources acquired as proceeds from the sale of bonds with repayment terms shorter than one year, which require a permit.

However, foreign exchange Czech nationals are subject to a broader set of restrictions. We nevertheless consider it possible to implement partial liberalization applicable to direct investments abroad in the near future for the following reasons:

- On a decisive scale, these involve investments connected with the expansion of exports, which is highly necessary (for the purpose of association).
- There is no great risk of speculative misuse being made, as exists in indirect investments.
- There is no threat of a risk of an unbearable increase in volume.

To minimize the risks connected with speculative behavior, particularly with respect to hitherto unprivatized entities that were previously predominantly oriented toward Central European and East European markets, it will clearly be possible to liberalize only direct investments oriented toward countries with which the CR has concluded agreements on the protection of investments (subsequently, to include all countries of the OECD). Additional expansion will be possible according to created conditions (the certainty of the market behavior of Czech entities, the favorable situation in other regions such as the ASEAN region, and so forth).

From the short-term standpoint, the liberalization of indirect investments is not realistic, and, from the medium-range standpoint, it depends to a decisive degree on the speed and the success of the process of privatization in our economy and its stabilization. At the same time, it is necessary to create the conditions for record-keeping and the possibility of control with regard to adhering to any

possible conditions and the legalization of proposed measures. The need to retain some restrictions is not excluded, even after the introduction of external convertibility.

### **III. The Liberalization of Access by Private Individuals to Foreign Exchange Resources**

The access by private individuals to convertibility is currently restricted. For the year 1993, the limit is set at Kč7,500 per person.

The solution goal in this area, as well, is full liberalization of the access by private individuals to foreign exchange resources. Experiences from developed nations indicate that a number of countries were still applying restrictions in the recent past (France, Italy). It is clear that, in this area, it will be necessary to apply certain restrictions even in the CR, but they will be in the form of regulations governing the export of capital. In 1994, it will not yet be possible to back away from the establishment of a limit. But it is possible to figure that it will be substantially increased, at a minimum.

### **IV. Introduction of External Convertibility for the Koruna**

The foreign exchange law currently limits the use of the koruna to the Czech economy, and convertibility applies only to our residents.

External convertibility can only be approached on the basis of the creation of substantive conditions in the economy, particularly the following:

- The stabilization of the export output and additional increases in its share in the creation of the gross domestic product.
- The resulting approximate balance between supply and demand for foreign exchange in the medium term.
- The creation of an adequate volume of foreign exchange reserves to eliminate even more extensive short-term deviations between the supply and the demand.

In addition to economic conditions, it is necessary to create the technical conditions for the transition to a free quotation of the exchange rate by commercial banks.

It is even necessary to make agreements with selected foreign banks regarding the fact that they will quote the Czechoslovak koruna, including any possible assistance they might render in stabilizing the rate of exchange, in the initial period. This would clearly involve countries that are involved in the realization of the decisive portion of foreign exchange operations (particularly Germany and Austria, and, possibly, Switzerland, and so forth).

In view of the necessity to direct the individual steps and to gradually create the conditions for their realization, it is possible at present to estimate the possibility for implementing this fundamental step in the period 1995-97.

Some partial steps in the legislative area, however, can be taken before that date. This is particularly a matter of eliminating the restrictions for utilizing the remainder of the koruna accounts of foreign exchange foreign nationals (on

the basis of a valid foreign exchange law, a permit is required to utilize the remainder in these accounts to make payments abroad). This will very likely be possible to accomplish as early as next year.

### **V. Development of the Interbank Market**

Restricting the possibilities of commercial banks to hold foreign exchange and the method by which foreign exchange is handled is currently regulated by the rules of the interbank market and those for the regulation of open positions.

In conjunction with the prepared transition to external convertibility of the Czech koruna, it is necessary, on a priority basis, to develop an internal foreign exchange market that utilizes a broader scale of instruments and that functions like the foreign exchange markets in developed nations.

The target image of an internal foreign exchange market can be summarized as follows:

1. The principal active participants in this market are the individual commercial banks that conduct the sale and the purchase of freely convertible currencies, currencies that are freely convertible against the Czech koruna, at rates of exchange set by them. Also, the span of buy-and-sell rates of exchange in relationship to nonbanking entities is within their jurisdiction.
2. The individual commercial banks adhere daily to the stipulated rules of foreign exchange liquidity by the fact that bank auditors conduct controls at regular time intervals.
3. The central bank monitors the quotations by the most important commercial banks during the course of the day, calculates the stipulated currency basket, and, on the basis of those computations, checks whether the exchange rate level for the Czech koruna does not perhaps deviate from the stipulated oscillation range. In the event of a deviation or a tendency toward deviation, the central bank intervenes in the domestic foreign exchange market by directly purchasing or selling freely convertible currencies against the Czech koruna.
4. The central bank appears in the internal foreign exchange market virtually exclusively for the purpose of intervening, whereas its possible current daily operations in this market are initiated by the commercial banks. An exception can be created only by swap operations, which the central bank can utilize as an instrument for fine-tuning the liquidity in the money market within the framework of directing monetary policy, to the extent to which it decides to implement it.

The immediate introduction of the target image of an internal foreign exchange market is currently being prevented by the following:

- The inadequate safeguarding of information flows, both between the centers of commercial banks and their branch offices (the dissemination of rates of exchange that change during the course of the day) and between the central bank and the individual commercial banks (current information by the central bank regarding changing quotations at individual commercial banks).

- The inadequate experiences and professional caliber both at banks and particularly among nonbanking clientele.
- The currently undeveloped competition between individual commercial banks requires the central bank to limit the span between buy-and-sell rates of exchange in its relationships with nonbanking clients.

#### **VI. Linking the Rate of Exchange of the Czech Koruna**

The transition to external convertibility of the Czech koruna does not directly require a change in the existing link to the basket of currencies. The effort to enter the EC, however, requires abandonment of the existing link between the koruna to the basket of five currencies and its linkage to the currency basket of the ECU.

The implementation of this step will therefore have to be incorporated in the overall harmonogram of the transition to full convertibility for the koruna. From the standpoint of ranking, it must be approached with a certain degree of priority before joining the European currency community, particularly because the technical functioning of the system must be verified, and the capabilities for maintaining the rate of exchange within the stipulated span must be acquired. The implementation of this step is expected to occur after the introduction of external convertibility.

At the present time, a change in linkage is unfavorable to the CR because the low degree of development of the terminal market is preventing an adequate safeguard against exchange rate risks. The existing ties to the basket of currencies having an approximately 50-percent share of dollars and an approximately 50-percent share of European currencies makes it possible, to a certain extent, to limit exchange rate risks for individual economic entities.

However, a narrowing of the existing basket to only two decisive currencies (the dollar and the German mark) is being readied because the remaining three currencies deviate from the development of the German mark to only a minimum extent. At the same time, a correction involving the share of both currencies in the basket will be undertaken so that it would reflect changes in Czech foreign trade, particularly the rising share of the German mark and European currency operations.

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Convertibility of the Czech koruna is an important component in the integration of the Czech economy into the European economic system. Its further expansion is an essential condition for facilitating this integration. However, it is connected with certain expenditures that can, as demonstrated by recent events in the European currency system, be high, even for countries that have been part of the integration process for a long period of time.

The prospects of the Czech koruna's becoming a fully convertible currency are not far removed. This is attested to even by the systematic realization of the reform program, the achieved macroeconomic stability, the rapid growth of exports to developed industrial nations (particularly to nations of the EC), and indications of a gradual improvement in the economic situation.

#### \* **Bankruptcy, Settlement Law Explained**

93CH0635A Prague EKONOM in Czech 28 Apr. 5 May 93

[Article in two installments by Jiri Nesnidal: "The Feared Law Is Taking Effect"]

[28 Apr pp 71-72]

[Text] *The amendment of the law on bankruptcies and settlement has taken effect. In the Czech economy, a process is thus initiated, the benefits and necessity of which, in support of a legally regulated and actual market-type solution of the bankruptcies besetting some enterprises, is today doubted by only a few. At the same time, however, the law on bankruptcies and settlement, which enters our economic life, is accompanied by so many fears that have thus far not been precipitated by any other law passed during the past three years.*

#### **The Third Extension**

Immediately after the adoption of Law No. 328/1991 Collection of Laws [Sb.] on bankruptcies and settlement, on 11 July 1991, it turned out that even the original delay period applicable to the actual effective date of that law (until 1 October 1992, according to Section 67, the court could declare bankruptcy only for reasons of excessive debt) would not be sufficient to permit that bankruptcy regime, which was of a temporary restricting nature, to lose its significance. That is why this time limit was extended by six months by Law No. 471/1992 Sb.

As of 22 April 1993, even that extended limitation on the effectiveness of the law on bankruptcies and settlement came to an end. Nevertheless, in the opinion of the government and the legislature, it was essential to incorporate into the original version of the law certain insurance clauses in the image of corrections and new institutions, whose mission is to minimize negative influences that application of the law in the enterprise sphere would bring about with the greatest of probability. However, it remains true that, even if, in a given case, the actual bankruptcy proceedings were essentially deferred, the question remains open as to whether the current management of enterprises that have been in failure for a considerable length of time are now actually capable of suddenly changing their behavior and utilizing the beneficial "curative zest" provided by the latest amendment of the law on bankruptcies and settlement.

#### **Protective Period**

Undoubtedly, the most significant change resulting from the amendment is the introduction of a protective time limit. This is an institution that is used with relative frequency in bankruptcy proceedings in countries having developed market economies. During the course of this period, the business entity has a last opportunity to achieve consolidation of its financial condition and to overcome the failure status. According to the justification report, the introduction of a cooling-off period after a declaration of bankruptcy has been proposed pursues the purpose of "creating room for the possibility of solving the debtor's situation without court proceedings."

The cooling-off period is permitted by the court. However, it is not introduced automatically because initiative on the part of the debtor is expected—through submission of a proposal that the cooling-off period be allowed. The proposing entity is always the debtor.

According to the new language of Section 4, Paragraph 1, a proposal for declaring bankruptcy can be submitted by the debtor, by any one of his creditors, or by another person who is so authorized to do so by special law. The debtor may submit a proposal for a cooling-off period in two variations and can do so in conjunction with the person who proposed that bankruptcy be proclaimed by the court:

a) If such a person is a creditor or a person other than the debtor—within 15 days following the delivery of the proposal to declare bankruptcy by the court.

b) In the event that such a person is a debtor himself, he may combine a proposal requesting a cooling-off period with his proposal to proclaim bankruptcy; subsequently, the proposal (to allow a cooling-off period) can be submitted within 15 days following the initiation of bankruptcy proceedings.

The proposal to allow a cooling-off period must contain the following data, in addition to the general modalities involved in the submission of these documents as stipulated in Section 42 of the Civil Juridical Code:

- Data that are recorded in the Commercial Register (Section 28 of the Commercial Code).
- A compilation of real estate holdings of the debtor, including any mortgage rights.
- A listing of creditors, complete with the amounts of their claims.

In view of the fact that, at the beginning of the proceedings, the creditors are not known, great significance is ascribed to the above-mentioned requirement in the law that the debtor list the creditors as early as his proposal to permit a cooling-off period. In the event a creditor is overlooked by the debtor, be it on account of negligence or deliberately, he may come forward himself during the course of the cooling-off period.

Before issuing its decision, the court examines only the formal modalities: the timeliness of proposal submission; the authorization of the debtor to submit the proposal; the modalities involved in the submission, which were discussed above. The court does not deal with the substantive aspects of the case in this connection. On the basis of the above, the court adopts some of the following decisions:

- It shall permit a cooling-off period if the proposal contains the listed formal modalities.
- In the opposite case, it will reject the proposal.

That decision will be issued by the court within 10 days of receiving the proposal.

The resolution to permit a cooling-off period is delivered by the court to the following:

- The debtor.
- The creditor listed in the proposal.
- The court in charge of the Commercial Register in which the debtor is recorded.

- The cadastral offices that keep records regarding the debtor's real estate holdings.

In the event the debtor is a state enterprise or another state organization, or an organization established or organized by a community, the court shall also send the resolution permitting a cooling-off period to those individuals who are founders or establishers of the debtor, in accordance with special regulations.

The resolution permitting a cooling-off period must be simultaneously published by the following two methods:

a) It is posted on the official bulletin board of the court on the day of issue.

b) In OBCHODNI VESTNIK [COMMERCIAL GAZETTE].

This public proclamation of a cooling-off period has as its goal, on the one hand, to provide those creditors whom the debtor did not list in its proposal the opportunity to come forward themselves, and, on the other, to draw the attention of possible business partners of the given debtor to the existence of a proposal to declare bankruptcy and to the fact that a cooling-off period has been permitted.

Creditors, both those who were listed in the proposal to allow the cooling-off period and those who have joined in the proceedings during its course, have the standing of bankruptcy creditors, as intended in Section 7, which states that bankruptcy creditors are participants in bankruptcy proceedings who are asserting their claims. That is why the law stipulates that, if bankruptcy is declared, it is necessary to deliver the resolution calling for that fact to bankruptcy creditors.

The cooling-off period begins to run on the day the resolution regarding allowing it is posted on the official bulletin board of the court—that is, on the day it was issued.

A cooling-off period lasts three months. Upon the proposal of the debtor, submitted within the course of the cooling-off period, the court may extend it, but for no longer than an additional three months. However, the conditions are that the creditor agrees to the extension.

#### Protection of Creditors

The creators of the amendment and the legislators were fully aware of the fact that any kind of protection for this debtor may result in losses to creditors. That is why they included a group of provisions in the law that makes it possible for creditors to monitor the conduct of the debtor during the cooling-off period, particularly with regard to whether he is actually utilizing this last chance. This possibility is all the more important because relationships between the debtor and the creditor during the course of the cooling-off period will play themselves out outside of the level of the court.

In place of the original dispositive provision (Section 11, Paragraph 1), that the "creditor committee may be elected" and "requires approval by the court," the new text of the above-mentioned provision contains the following provisions:

- The creditor committee must be established if the number of bankruptcy creditors is more than 16.
- A creditor representative may be elected in cases where the number of bankruptcy creditors is 15 or fewer.

The creditor representative has the same rights and duties as those vested in the creditor committee.

The creditor committee is elected by a meeting of creditors, convened by the court at the time it is permitting a cooling-off period, by using a procedure stipulated in Section 10, Paragraphs 2 through 4. The creditor meeting also makes decisions regarding the number of members to serve on the creditor committee—there must be at least three and a maximum of nine. Members can only be bankruptcy creditors (a restriction contained in the already mentioned Section 7). The members of the committee are subject to confirmation by the court.

The creditor committee meets either on its own initiative or when it is convened by the court. The creditor committee (creditor representative) shall fulfill tasks stipulated in this law or assigned to it by the court and will oversee the activities of the bankruptcy substance administrator. The creditor committee (representative) is authorized to submit proposals to the court pertaining to the progress of the proceedings.

The institution of a guardian is used to safeguard the rightful claims of creditors and is a new provision that can be imposed by the court if one is not selected by the creditor committee or by the creditor representative.

The same purpose is served by the amended provision according to which, in a number of cases, approval of the creditor committee is required. Such cases are the following:

- An extension of the cooling-off period.
- The creation of a compilation of the essence of the bankruptcy by the administrator—with cooperation from the creditor committee (Section 18, Paragraph 1).
- An estimate undertaken by a court expert (Section 18, Paragraph 3).
- An agreement covering settlement of unshared co-ownership among spouses, as concluded by the administrator (Section 26, Paragraph 2).
- Sale outside of an auction accomplished by the administrator (Section 27, Paragraph 2).
- The exclusion, by the administrator, of uncollectible claims and items that were not successfully sold (Section 27, Paragraph 4).
- The final report and accounting, which is discussed by the court during the negotiations, copies of which are sent by the court to the committee of creditors (Section 29, Paragraph 3).

During the cooling-off period, there is also a certain restriction imposed upon the debtor in terms of actions that could result in damage to creditors, so that:

- The court may decide (upon proposal by the creditor committee or by the guardian) that some actions

should not be undertaken by the debtor, or only with prior approval of the creditor committee or the guardian of creditor affairs; legal actions taken in conflict with this court decision are ineffective in terms of their impact on the creditors.

- Any legal actions taken by the debtor that would infringe upon the interests of creditors in terms of satisfying their claims are ineffective in their impact on the creditors.
- The debtor is obliged to consistently strive to overcome his failure and to inform the creditor committee or the guardian regarding any measures taken and, where necessary, to request their cooperation.

For the duration of the cooling-off period, the court is restricted in that it cannot proclaim bankruptcy and only undertakes procedural actions in the bankruptcy proceedings necessary from the standpoint of letting the cooling-off period run.

Creditors are restricted in regard to the debtor in that they cannot assert the satisfaction of their claims by court decision, with the exception of claims based on employment and those based on taxes, fees, customs duties, and insurance premiums for social security and health care; any proceedings that have been initiated in this regard are temporarily interrupted.

#### **Termination of the Cooling-Off Period**

In the event that the purpose of the cooling-off period is accomplished even before the expiration of the stipulated time (Section 5c), the cooling-off period is terminated by halting the bankruptcy proceedings. After the cooling-off period, the situation of the debtor is either resolved so that there is no reason to continue the proceedings, or, in the opposite case, the bankruptcy proceedings will run their course.

During the cooling-off period, the debtor has the right to submit a proposal for settlement. In such a case, the procedures are governed by Part Three of the law—provisions regulating the process of settlement—in which case the cooling-off period cannot terminate any earlier than the time the court decides regarding settlement.

#### **[5 May pp 67-68]**

[Text] *Introduction of the cooling-off period also required changing the special regime for enterprises under privatization, according to Law No. 92/1991 Sb. on conditions for the transfer of state property to other individuals, as amended by subsequent regulations. Some conditions for management employees of the debtor have also been newly formulated. Special provisions regarding the duration of the cooling-off period apply to entrepreneurs in agriculture.*

#### **A Special Regime During Privatization**

The purpose of the new regulation of the relationship between bankruptcy proceedings in privatization is to harmonize both processes in such a way as to achieve the purpose of each. That is why the amended law establishes a special regime for enterprises (debtors) in bankruptcy that

are in the process of being privatized. For this regime to be applicable to an enterprise, it must fulfill two conditions:

1. It must be a state enterprise, another state organization, or another legal entity in whose business activities the state has a property share.
2. It must be listed in the register approved by the government and published in OCHODNI VESTNIK.

The actual procedure consists of the following steps:

After the court receives a proposal to declare the bankruptcy of a debtor who fulfills the above-mentioned conditions, it sends that proposal to the Ministry for the Administration of National Property and Privatization.

The ministry may, within 15 days of receiving that communication, propose to the court that it permit a cooling-off period. That submission by the ministry leaves untouched the rights of the debtor to propose to the court that a cooling-off period be permitted according to the general rules outlined in Section 5a.

The proposal by the ministry must be submitted on a timely basis and must contain the prescribed modalities:

- The general modalities involved in the submission.
- Data to be recorded in the Commercial Register.
- The extent of the assets and liabilities of the debtor, as of the last day of the previous month.
- Documentation of the fact that the debtor is destined for privatization according to Law No. 92/1991 Sb. on the conditions for transferring property of the state to other individuals, as amended by subsequent regulations.

As far as other general modalities of the proposal to permit a cooling-off period are concerned, as stipulated in Section 5a, Paragraph 3, the proposal submitted by the ministry need not contain the following:

- A listing of creditors of the debtor and their claims.
- A compilation of the debtor's real estate holdings.

According to the provisions of Section 67, Paragraph 3, the debtor is obliged to provide information regarding those modalities, if requested by the court, and must do so within 15 days.

The resolution permitting the cooling-off period is delivered by the court to the Ministry for the Administration of National Property and Privatization, in addition to the debtor, the creditors, the appropriate Commercial Register, and the cadastral office involved.

The duration and course of the cooling-off period, even in the event of a special regime, is governed by general rules spelled out in Section 5c (three months, with the possibility of an extension, under certain circumstances, by a maximum of three additional months).

The amendment further solves individual situations that can occur during the clash of bankruptcy proceedings and the privatization process. This primarily involves extension of the deadlines, something that is essential to allow new

acquirers of property or securities previously owned by the debtor to make the necessary provisions through which they might avoid bankruptcy.

The amendment figures on the following specific situations:

A privatization project has been approved involving the property or stock certificates of the debtor prior to the time a proposal to proclaim bankruptcy was made. The cooling-off period is extended by enough time to permit one of two situations to develop—that is, until the privatized property is transferred to the new acquirer or until such times as two months have passed since the transfer of at least 34 percent of the securities to specific acquirers. This prolonged time limit terminates, at the latest, upon the expiration of six months from the time a proposal was submitted to declare bankruptcy.

A privatization project has been approved involving the property or the securities of a debtor during the cooling-off period. The cooling-off period is extended according to the above rules only with the difference that the extended period may last only six months from the time the privatization project was approved.

The cooling-off period was permitted upon the proposal by the debtor. The extension of the cooling-off period is subject to the above procedures.

The debtor's property passed to the Fund of National Property in accordance with the approved privatization project, and a commercial corporation is established at the same time the enterprise is disestablished without liquidation. The court will permit, at the proposal of this corporation or the ministry, a cooling-off period of six months from the time the proposal to declare bankruptcy was submitted.

#### **Bankruptcy and Coupon Privatization**

Coupon privatization enjoys the benefits of special protection. In the event that the privatization project called for a debtor to categorize at least 50 percent of his securities as being offers for coupon privatization, it is impossible to declare bankruptcy. (Exceptions may be permitted by the government upon the proposal by the ministry.)

The beginning of the period when it is no longer possible to declare bankruptcy—publication of the debtor in the listing of stock corporations that will be privatized in a given wave of privatization through the use of investment coupons.

The termination of this time—the expiration of two months from handing over the securities of the debtor to holders of investment coupons and to investment privatization funds.

During this period of time, the deadlines for submitting proposals to permit a cooling-off period, as well as the course of the cooling-off period, are suspended.

#### **Restrictions on Management Employees**

The amendment presents some restrictions in bankruptcy proceedings, applicable to employees who hold leading functions in the bankrupt enterprise. This is intended, on the one hand, to eliminate the possibility of misusing so-called privileged knowledge, which these employees have

regarding the debtor's situation, and, on the other, to stimulate their interest in speeding up the solving of the bankruptcy situation.

Wage claims (originating after the proclamation of bankruptcy) of management employees, whose employment conditions were based on their nomination, may be settled during the course of bankruptcy only to the extent of 10,000 korunas [Kc] per month. However, that does not mean that their claims for higher wages or other claims based on employment conditions have been expunged; however, the claims will not be satisfied on a priority basis, but, rather, like all other claims, as intended by Section 32, Paragraph 2, Letter c) of the law on bankruptcies and settlement.

The same applies to claims by individuals who are not employed by the debtor but who perform work for him that otherwise would be in the purview of management employees.

Management employees of the debtor, as well as their dependents (listed in Section 116 of the Civil Code), are subject to still further restrictions, consisting of a prohibition of acquiring ownership of items that were the property of the debtor at the time bankruptcy proceedings or settlement proceedings were initiated, and this is applicable even in cases where such property was converted to cash by auction. These chattels may not be transferred to them not only during the course of bankruptcy or settlement, but not even for a period of three years following the conclusion of bankruptcy or settlement proceedings. Legal actions that have been undertaken in conflict with this provision are considered invalid.

The prohibition for acquiring ownership of debtor property (Section 67b, Paragraph 1) is applicable even to his partners:

- In the case of a public commercial corporation, a commission corporation, or a corporation with limited liability, to the extent to which the partner is engaged in functioning as a management employee for the debtor.
- In the case of a corporation, to the extent to which the partner is active in corporation organs (the board of directors, the oversight council) or if he owns securities amounting to more than one-tenth of the basic wealth of the corporation.

As far as the above-mentioned partners are concerned, the courts can, in justified cases, render a decision regarding an exemption.

#### **Advantaging Agricultural Workers**

The amendment takes into account the special nature of agriculture—the production cycle, the uncertainty of prices,

and yields—and stipulates that, in the case of a debtor who is a legal entity or a private individual and whose overwhelming activity involves agricultural primary production (that is, operating agricultural land plots, the results of which are plant or livestock products prior to their further processing), it is not possible to proclaim bankruptcy in the period from 1 April through 30 September. The course of time limits for submitting proposals to permit a cooling-off period or the course of the cooling-off period itself is not interrupted by this provision. At the same time, the effects of the cooling-off period according to Section 5d continue.

In its Section 67d, the amendment provides for deferring the possibility for proclaiming bankruptcy with respect to private farmers. It thus wants to make it possible for those who are beginning to operate independently in agriculture to be able to overcome their initial difficulties. According to the above-cited provisions, the courts may not proclaim bankruptcy in regard to a debtor who is a private farmer (according to Law No. 105/1990 Sb. on private business, as amended by Law No. 219/1991 Sb.) until 31 December 1994. The prerequisite for this is that the debtor fail to agree to the declaration of bankruptcy.

#### **The Sale of Assets of the Debtor Enterprise**

The newly incorporated provision of Section 27a states: "With the approval of the court and the creditor committee, the administrator may convert to cash items, rights, and other property values that serve the operation of the enterprise through a single agreement; otherwise, for purposes of this agreement, appropriate use is made of the provisions of the Commercial Code (Section 476 and subsequent sections having to do with the sale of the enterprise). The proceeds from this sale are considered part of the overall proceeds of converting the bankruptcy substance to cash and may not be used solely to cover obligations having to do with the enterprise being sold."

This provision makes it possible for the assets, as a whole, of the enterprise operated by the debtor to be sold; this facilitates the operation of the enterprise without interruption. This is a special regulation designed to modify agreements covering the sale of enterprises according to the above-mentioned provisions of the Commercial Code, which require that the buyer also take over the assets and obligations at the time of purchase. If this were also the case in the case of bankruptcy, it would be the creditors whose claims resulted from the operation of the enterprise who would be advantaged. This would violate the fundamental principle and the meaning of the bankruptcy proceeding, which is based on equal satisfaction for all creditors.

**\* Budapest Police Request 'Emergency' Financial Aid**

93CH0618B Budapest NEPSZABADSAG in Hungarian  
22 Apr 93 p 5

[Unattributed report: "Who Gives Credit to the Police?"]

[Text] At least half a billion forints' [Ft] worth of emergency aid from the budget would be necessary to overhaul the financial situation of the Budapest Police Headquarters [BRFK], an unnamed official of the internal ministry told our paper after the BRFK paid its debt amounting to nearly Ft80 million to the garage of the internal ministry. In view of the debt accumulated in one and a half months, the garage refused to repair the BRFK's Fords.

Last year, the police accumulated a debt of nearly Ft1 billion. At the beginning of the year, the BRFK overhauled the finances of the provincial police from its development budget and paid approximately Ft1.2 billion to various transportation and service companies in all counties. However, no money was left to overhaul the finances of the BRFK itself.

The leadership of the national police is unwilling to give up further development, weapon, vehicle, and radio purchases, and building modernization, and the reserve funds of the internal ministry cannot be mobilized to this end, either. According to our information, the internal ministry is inclined to yield to pressure from the police and ask for assistance from government reserves to improve the BRFK's situation.

One-third of all known crimes are committed in the jurisdiction of the BRFK. According to our information, the Budapest police owes a total of approximately Ft300 million to its suppliers and supposedly to the tax authorities, as well. According to the above-mentioned official of the internal ministry, it is not impossible that by the end of the year the debts of the Budapest police will amount to Ft500-800 million.

On Wednesday the national police paid the BRFK's Ft8 million debt to the garage of the internal ministry; come Thursday, the Budapest Fords are going to be repaired again.

**\* Tungsram Lets 1,500 Workers Go; Many Find New Jobs**

93CH0617C Budapest NEPSZABADSAG in Hungarian  
22 Apr 93 p 5

[Unattributed report: "Tungsram Slims Down"]

[Text] This year, 15 percent of the current staff, 1,500 employees will be laid off at Tungsram Rt., U.S. university professor Ivan Volgyes, the firm's consultant, announced at a manpower development conference on Wednesday. The conference described the experimental model on the basis of which staff reduction measures were determined. General Electric bought the company in 1989, and since that time 7,500 people were fired. This time, a special group takes care of terminated employees, and as a result, 70-80 percent of the people of those already let go succeeded in finding a new job.

**\* Fotex Company Wins London Trade Journal's Award**

93CH0617B Budapest NEPSZABADSAG in Hungarian  
22 Apr 93 p 5

[Unattributed report: "London Acknowledgment for Fotex Rt."] ]

[Text] The London economic journal CENTRAL EUROPEAN awarded the title "East European Company of the Year" to Fotex Rt., based on last year's achievements. The journal specializing in the economic processes of East and Central Europe provides information about investment and business possibilities in the region to approximately 20,000 businessmen.

Representatives of the Hungarian-U.S. joint venture, together with seven winners of other categories, will receive the award in the British capital on Saturday. The award ceremony will coincide with the general assembly of the European Bank of Reconstruction and Development, to which the CENTRAL EUROPEAN will devote a special issue.

**\* Romanians Back Economic Reform, Not Government**

93P20176A Bucharest ADEVARUL in Romanian 1 May 93 p 3

[Unattributed article: "Romanian Public Opinion Poll Institute: The Impact of the 1 May 1993 Subsidy Elimination on the Social Climate and the Public's View of the Government"]

[Text] This national opinion poll was conducted between 23 and 27 April 1993 by IRSOP [Romanian Public Opinion Poll Institute] for the Romanian Government's Department of Information. IRSOP interviewed face-to-face 1,070 people over the age of 18. The polling sample is representative of Romania's entire adult population.

The individuals interviewed were selected through a quota system and successive sampling in 70 urban and rural areas distributed randomly across Romania.

The sample took into account such factors as gender, age, occupation, education level, location (whether urban or rural) and size of locality, and ethnicity.

This poll's margin of error is plus or minus 3 percent.

**The Public's Current Image of Government**

**What opinion do you have about the government's activities to date?**

	Percent
Very good	3
Good	30
Not very good	42
Very bad	22
Don't know/No response	3

**How satisfied are you with the prime minister?**

	Percent
Very satisfied	4
Satisfied	35
Not very satisfied	39
Very dissatisfied	19
Don't know/No response	3

**Respondent's Perceptions of Financial, Professional, and Personal Welfare**

**How satisfied or dissatisfied are you with your job?**

	Percent
Very satisfied	16
Satisfied	47
Not very satisfied	30
Very dissatisfied	7

**How satisfied or dissatisfied are you with your salary?**

	Percent
Very satisfied	5
Satisfied	26
Not very satisfied	42
Very dissatisfied	27

**How strongly do you fear you might lose your job?**

	Percent
Very strongly	20
Strongly	20
Not strongly	35
Not at all	25

**How worried are you about your financial welfare for the coming month?**

	Percent
Very worried	37
Worried	38
Not very worried	19
Not worried at all	6

**How have you or your family gotten along financially in the past six months?**

	Percent
I/we were able to save some money	11
I/we lived from paycheck to paycheck	51
I/we needed to take money from savings	19
I/we needed to borrow money	19

**The Social Impact of the Subsidy Elimination**

**How anxious are you about across-the-board price liberalization (subsidy elimination)?**

	Percent
Very anxious	45
Anxious	34
Slightly anxious	16
Not at all anxious	5

**The government's economic reform program will call for sacrifices on the part of the population. Do you agree with being asked to bear these sacrifices?**

	5-10 April	23-27 April
	Percent	
Completely agree	5	5
Agree	47	43
Disagree	34	36
Completely disagree	14	16

**Beginning on 1 May, the government will no longer subsidize prices for food, energy, and so forth. As a result, prices will rise. Do you believe you will be able to cope with that situation?**

	5-10 April	23-27 April
	Percent	
I am certain I will be able to cope	7	7
I believe I will be able to cope	42	36
I believe I will not be able to cope	31	34
I am certain I will not be able to cope	17	19
Don't know/No response	3	4

### How the Public Perceives the Unions and Their Role

**Do you believe that in present-day Romania the unions play a rather positive role, a rather negative role, or no role at all?**

	Percent
Rather positive role	35
Rather negative role	22
No role at all	22
Don't know/No response	21

**This month, the government and the unions negotiated wage compensation and indexing following the elimination of subsidies. In your opinion, whose intentions were more honest?**

	Percent
The unions	18
The government	26
Both the government and the unions	19
Neither the government nor the unions	20
Don't know/No response	17

**Do you believe that the unions' goals are currently more social or more political?**

	Percent
More social	38
More political	34
Don't know/No response	28

**In general, are you inclined to trust or distrust the National Council of Free Unions in Romania?**

	Percent
I am inclined to trust	24
I am inclined to distrust	29
Don't know/Am not familiar with the organization	47

**In general, are you inclined to trust or distrust the Alfa Cartel?**

	Percent
I am inclined to trust it	22
I am inclined to distrust it	29
Don't know/Am not familiar with the Alfa Cartel	49

**In general, are you inclined to trust or distrust the Fratia Confederation?**

	Percent
I am inclined to trust it	23
I am inclined to distrust it	32
Don't know/No response	45

**In general, are you inclined to trust or distrust the National Union Bloc?**

	Percent
I am inclined to trust it	16
I am inclined to distrust it	24
Don't know/Am not familiar with the National Union Bloc	60

### Public Support for Economic-Reform Measures

**Do you agree or disagree with the following statement: "Eliminating subsidies is necessary to continue reforms"?**

	Percent
Agree	57
Disagree	28
Don't know/No response	15

**Do you agree or disagree with the following statement: "The government should not permit a sudden rise in prices but should continue to control them"?**

	Percent
Agree	80
Disagree	17
Don't know/No response	3

**Do you agree or disagree with the following statement: "Unprofitable companies should be closed even if it means a rise in unemployment"?**

	Percent
Agree	47
Disagree	42
Don't know/No response	11

**Do you agree or disagree with the following statement: "The government needs to speed up the program of privatizing state enterprises"?**

	Percent
Agree	60
Disagree	25
Don't know/No response	15

**Do you agree or disagree with the following statement: "Eliminating subsidies helps combat speculation"?**

	Percent
Agree	54
Disagree	26
Don't know/No response	20

**Do you agree or disagree with the following statement: "The government is obliged to guarantee a minimum wage in every enterprise, regardless of the economic consequences"?**

	Percent
Agree	45
Disagree	45
Don't know/No response	10

**In your opinion, what is the best way to raise the standard of living in Romania?**

	5-10 April	23-27 April
	Percent	
An increase in employment	40	42
A better governmental economic policy	23	24
Stronger incentives for privatization and private firm initiatives	18	16
Attracting foreign investment	9	10
Securing favorable loans from abroad	3	3
Strikes and demonstrations that force the government to improve the standard of living	3	3
Don't know/No response	4	2

\* **Marko on Ethnic Discrimination, 'Cleansing'**  
*93BA0925A Bucharest "22" in Romanian 8-14 Apr 93  
 pp 10-11*

[Interview with Bela Marko, president of the Democratic Union of Hungarians in Romania, by Andrei Cornea; place and date not given: "Changes in the Administration or a Nationalist Diversionary Game?"]

[Text] [Cornea] Do you feel that the appointment of the two Romanian prefects in Covasna and Harghita counties is a political ploy? Is there any link to the vote on the budget? Or with the motion for censure?

[Marko] I think there were several political arguments for making these appointments right now. First of all, it is true that the appointments for those two counties are nearly the last ones in a series of changes involving prefects. But, just

as these appointments were delayed, they could have been even further deferred, despite the fact that the entire county was in a provisional status, with two people heading the prefectures. This is especially true since the government knew full well the tensions generated last year when it wanted to change the Hungarian prefects. In the statements made by the FSDN [Democratic National Salvation Front] or the spokesperson of the president, references were made to the UDMR [Democratic Union of Hungarians in Romania] membership in the opposition in Parliament and to the fact that the UDMR voted for the motion to censure. Therefore, it seems that a debt was repaid by way of these appointments. Probably within the framework of the voting for the motion to censure—and I say probably because I certainly do not have any proof—new understandings were worked out with the three allied parties (PUNR [Romanian National Unity Party], PSM [Socialist Party of Labor], and PRM [Romania Mare Party]), and, it is possible that the appointment of these two prefects was eventually made part of these new understandings. Certainly, I could also speculate somewhat. At the last press conference, on Thursday, 1 April, I made references to an eventual social crisis that will take place in the coming months as a result of the withdrawal of welfare assistance subsidies. In such a situation, one sufficiently effective means could prove to be a diversion designed to create interethnic tensions. At the same time, I do not understand why the government did this just after we passed through a period of time when statements had been made in connection with intentions to resolve the Hungarian minority problems, and when it is well known that we are in the "home stretch" for entering the Council of Europe.

[Cornea] And, I believe that the appointment of the new prefects has something to do with an ethnic diversionary ploy and, at the same time, perhaps it is a price paid to the allied parties. In its reaction, the UDMR made a statement in which it used the already very uncomfortable term "ethnic cleansing," just as it was used by Bishop Tokes in his no less famous statement. Was the UDMR aware that such a term (even under such circumstances) could create an even more difficult situation? Why didn't the UDMR make a reference to, let us say, "ethnic discrimination," a phrase, I think, more appropriate to what is actually happening in the prefecture? In short, aren't we talking here about a small propaganda ploy on the part of the UDMR?

[Marko] We, the UDMR, were frequently accused of using this term, which Bishop Laszlo Tokes used, since an analogy was immediately made with the situation in Yugoslavia. I believe there was cause for us to place a limitation on this term which, being linked to Yugoslavia, has a very serious implication. But, this phrase, even in its international usage, also contains other meanings. Why wasn't the idea of "ethnic discrimination" used and why was the term "ethnic cleansing" used in the prefecture and in other institutions where such processes also took place? Actually, I think if we make an abstraction from the analogy with Yugoslavia the term sufficiently precisely expresses what is taking place. When we see the removal of persons from the leadership of various institutions—this is happening in the school system, in the legal system, and in local government—then, in my

opinion, unfortunately, it is the same trend we saw prior to 1989, namely, of eliminating ethnic Hungarians from the leadership positions of various institutions. What is happening is not just an act of discrimination, but rather a trend to change the ethnic composition in the leadership of institutions and, of course, this trend is linked to a process that stretches back over decades.

[Cornea] I would have to make two points here. First, I have reservations regarding the use of certain terms which can give rise to confusion. You know very well how after the revolution there was an abuse of the term genocide. There was talk of genocide because it was learned that, in fact, there were several hundred deaths during the revolution, and one cannot really talk about this as genocide. Certainly, the term genocide immediately brings to mind the genocide against the Jews or the Armenians during various wars. This is how I also see the issue of ethnic cleansing. The truth is that this term is now being used in a terrible context, the Yugoslav context, and that for any person who hears it there are very great risks for certain misunderstandings, even more so because usually one hears or reads of these things through the news media, which are not always attentive to nuances. It seems to me that perhaps the UDMR should take into account this possibility for misunderstandings. However, I would like to ask you one more thing. How do you see the following: In recent months, everyone in the opposition has been complaining about changes made in the local administration offices of the ministries and certain other institutions which answer to the state—not to mention the changes in the central government—where representatives of the governing party and its allies have been given jobs. In some places, there has even been some "cleansing," if one can so state, of entire structures, of an entire organization, with people being removed not on the basis of competency, but purely and simply on the basis of party affiliation. As a result, can it not be said that a cleansing is taking place of a political nature?

[Marko] This is true. Actually, this fact has been reported by both the press and the opposition, but not with the necessary vehemence. Since it came to power, the government has carried out a very efficient activity. While we were rebuking the government for inactivity, it was making essential changes, even at very low levels. I heard that at the school level they changed directors on the basis of governing party affiliation, which, I think, is unprecedented. Even after December 1989, and in January there was no such "cleansing." Nonetheless, here it is, just now, when here and there there have been some changes in various institutions, we are witness to a process of restoration. (I can't help it. I must use this word whenever there is talk of forces of the Left.)

#### **The UDMR Will Remain Within the Democratic Convention**

[Cornea] We now come to the issue of the UDMR and the opposition and, first of all, the Democratic Convention, of which the UDMR remains a part, even if in a somewhat special manner. I would like to know how you see the opposition's reactions to these new developments we are now discussing. Second, don't you think that, once again, the opposition will be in a somewhat delicate situation?

That it will be accused of playing the Hungarians on one hand and, on the other, you will have the feeling, perhaps, that it is not doing enough.

[Marko] Certainly, for the opposition this situation can be a trap since national sentiment may be used not only against the UDMR, but also against the CDR [Democratic Convention of Romania] and, therefore, against the opposition. The moment those in the government and in several nationalistic parties pose as the representatives of the entire nation and patriotism, the opposition can be permanently accused of disloyalty and antinational feelings and attitudes. And there were more than enough moments like that. I think that the opposition has already won a certain independence with regards to this type of manipulation. Long ago it recognized this trap.

In connection with the Democratic Convention's relationship with the UDMR, we are in a coalition because our programs dealing with general democratization, the institutions of a state of laws, and economic and social issues are nearly identical or very similar. And, in connection with the resolution of the ethnic minority issue, we have found very many common points. At the same time, we are carrying on a permanent dialogue with regards to implementation and specific solutions in these special issues. In other words, the opposition parties are forces with which we have the possibility for a permanent dialogue on the most important issues for the UDMR.

[Cornea] Don't you think a separation during this period right after the elections, even if just in form—namely, with the UDMR no longer a part of the CDR, though pursuing the same grand goals—would be beneficial to both parties? In this way the UDMR could continue its activities, without being, however, necessarily linked to the opposition even if it were to vote a great many times alongside it. And the Convention, and the opposition generally, would be able to win over to its side (especially in Transylvania) a number of people who would not have voted for Iliescu if they had not had the feeling that something was wrong in the Convention's relations with the UDMR.

[Marko] Your question is a basic one, if I may say so. I would continue with the answer to the preceding question. Certainly, this coalition with the opposition can appear as an element of moderation, one tempering the attitudes of the UDMR. At the same time, these types of influences can also exist on the part of the UDMR toward the other parties of the coalition. I think this is typical of the nature of any kind of coalition which contains parties having different programs. In the meantime, these programs and ideologies have not been definitively shaped, but will by all means be formed.

At the same time, I believe that such a separation of the UDMR from the opposition would mean that the UDMR would be isolated on the Romanian political scene, which is something I think neither the CDR nor the UDMR desires. This has not been proposed to us nor has the issue been raised about withdrawing from the Convention, but I would remind you of the PNL's [National Liberal Party] departure from the Convention. Certainly, the situation there was very

complicated. I am convinced that its departure did not take place solely because of the UDMR. The UDMR's presence in the Convention was rather a pretext on the part of the PNL. In fact, the PNL was dissatisfied with the joint lists, believing instead in its own forces. And, beyond this factor, let us suppose than the PNL left the Convention so as to gain voters by distancing itself from the UDMR, voters who otherwise would not vote for the PNL, voters, in other words, who are more nationalistic. This is another trap. I believe that a party which attempts to attract voters having convictions other than those of its own party would actually become, after the elections, a completely different party. That is, not only can the party influence the voters, but the voters who opt for this party can also influence the party's future. A party which attempts to attract voters through a certain nationalistic appeal, be it either temporary or for circumstances, ultimately risks becoming a nationalistic party.

[Cornea] As far as I am concerned, I see as a very positive fact on the part of the Romanian opposition that, despite certain momentary possible disadvantages, we have nonetheless maintained a coalition. Clearly, however, certain more "practical" people might say that what is important is winning the elections and then organizing things as you want.

#### **"A Government Composed of Two Factions That Would Pursue Opposite Courses Would Not Be Possible"**

[Cornea] After the elections, President Iliescu first proposed a coalition government having diverse forms. In the end, this was negotiated and the Convention rejected this arrangement. I would like to ask you a question I have put to various leaders and representatives of some of the opposition parties, and received different answers: Do you think the CDR made a mistake in this situation since it was precisely this change at the local or central government level, from top to bottom, that should have been stopped? And, in a country like Romania, ultimately, abstract ideologies count for less than do people and what they know, what they are able to do, and what they want to do in the jobs where they are placed. Therefore, has not too great a price been paid for a kind of political cleansing, certainly, one in itself honorable?

[Marko] Ultimately, any prediction either comes true or it does not. For the time being, only a few months have passed since the creation of this government, not even half a year. Some conclusions can be drawn, but not definitive conclusions. What you are saying is true. The governing party, the FDSN [Democratic National Salvation Front], in creating a coalition with the three nationalistic parties is pushed towards the extreme left in Parliament. At the same time, this party still now has characteristics rather like those of a movement and not of a party with a precise ideology, despite the fact that even in this case people also count, not just the party line. During negotiations, we judged that there were certain fundamental differences in programs and ideas, and that under these conditions, it would not be possible to have a government composed of two factions that would pursue exactly opposite courses on certain essential issues.

[Cornea] What an irony of history! When the motion for censure was presented in parliament, it was written by the FSN [National Salvation Front] and read by Mr. Coposu [National Peasant Christian Democratic Party president]. And, in connection with the same Mr. Coposu, I was reminded how Petre Roman shouted three years ago: "He has shown his true colors! He has shown his true colors!" With regards to this, I think this is precisely a more pragmatic spirit and one where it would have been more appropriate in this particular case to see things less in terms of general ideology. Perhaps, and I am not certain, it could have been successful in this manner in blocking to a certain degree precisely this restoration we are all discussing. Do you think so?

[Marko] I do not want to answer this question, but I do want to give an affirmative response to the idea that actually we should and will analyze what took place. In any case, I also believe that pragmatism is absolutely necessary.

#### **"The Yellow Star Is a Symbol for Any Type of Discrimination"**

[Cornea] Tell me something about the possible protest actions in Covasna and Harghita counties. It has been written in the press, but I do not know how accurate the reports are, that for a time it was suggested that ethnic Hungarians should wear a yellow star. This seems a little exaggerated to me. Similarly, what sense would it make to engage in civil disobedience, which has also been mentioned? I know that this usually refers not to laws concerning business or those dealing with social order, but rather to things that involve the state, such as paying taxes, which for us in Romania is done in an automated manner where the citizen does not have much of a role.

[Marko] Right now, the decision has been made to have demonstrations and meetings, which took place in Harghita on Thursday and will occur in Covasna County on Friday. The idea also came up of having certain eventual resignations on the part of councilors and mayors. But, this is only a proposal and I think many people cannot do this: they are elected by the electorate and must carry out their responsibilities. There has been a proposal and we have to examine the possibility for a boycott of prefecture activities in the sense of ignoring the directives issued by the prefect. As you know, the prefect has the authority to strike or suspend the directives and decisions issued by local councils and mayors. But, all of these, right now, are merely proposals. In Covasna, a proposal was made to wear the yellow star beginning on 1 May, if changes had not been made by then. The yellow star is an insignia specific to the Jews, who were discriminated against through this insignia, and, at the same time, it can be considered a symbol for any type of discrimination.

[Cornea] I understand, but I am afraid that once again things will be seen as unwarranted. When the Jews were discriminated against in Romania during the Carol II or during the Antonescu dictatorship or during the Goga-Cuza government, they were sent to special schools, which they did not want; they were forced to do mandatory work; they were forced to sell their property if they owned land; and, at one point, they did not have access to certain stores. In other

words, things were of a completely different nature. I wonder if you are taking this into account: Are you not afraid that the government will continue to exploit these reactions, if they appear somewhat exaggerated, intensifying their nationalistic campaign and attempting to continue to compromise all those people who would seek to put things back on a normal course?

[Marko] I would probably judge things differently if there was a specific case, the case of the two prefects. Despite the fact that the prefecture plays a very important role in the affairs of the counties. For us, right now, there is no real local autonomy. If there were such an autonomy, the magnitude and significance of the prefects would be completely different. But, unfortunately, this decision actually falls within the framework of a process to eliminate persons of Hungarian extraction from various institutions. This is a process which is permanently ongoing, without any special fanfare, but one which can be proven with figures and data.

[Cornea] Have you thought about putting together a "white paper" on this subject?

[Marko] Yes. When basically so much noise is being made about an issue of true importance for us, attention is being drawn to this process. With regard to a "white paper," we have thought about and will put together such a study.

#### Extremism in Romania and Elsewhere

[Cornea] Is it true what some people are saying, that the UDMR has special relations with the Hungarian Democratic Forum [MDF], in other words, with the ruling party in Hungary, and much less favorable relations with the opposition in Hungary?

[Marko] We have official relations with all of the parties in the Hungarian parliament. After the Brasov congress, I was the one who declared that we want to have relations as close and as equal as possible with all the parties in Hungary, which is only natural, because the UDMR is not a party with a single ideology. Actually, in the classic sense of the word, it is not a party, but rather an organization which represents the Hungarian ethnic minority. Therefore, we also have our Christian-democrats, our liberals, and, who knows, we will probably have our social-democrats, who to date still have not spoken up. Personal relationships within the UDMR or on the part of the Hungarian community in Romania are formed independently of official relations. If such a question is asked, eventually references are made to these types of personal relationships. Additionally, a sufficiently important factor is that the MDF is the ruling party in Hungary, and relations or contacts with different government institutions in Hungary also exist on our part in connection with issues of education and culture.

[Cornea] This is a very normal thing. But the problem is that the MDF also has a nationalistic wing, which is very vocal. For that reason, it could be claimed that the UDMR could also be drawn into such a dependency. Is this so?

[Marko] This wing within the framework of the MDF has truly created serious problems within the party. But, the MDF seems to be resolving this problem.

[Cornea] In any case, Mr. George Soros, to whom I listened at his press conference, appeared to be sufficiently dissatisfied with this situation in Hungary. It is known that he was subjected to certain anti-Semitic attacks and that he even explicitly compared the situation in Romania with the one in Hungary, saying that if the ruling party in Romania, a minority party, has need for nationalistic allies in order to govern, in Hungary even within the heart of the majority party there is a nationalistic wing, and that both phenomena are dangerous and worrisome.

[Marko] Any type of nationalism is dangerous, be it offensive, defensive, here or in other parts of Europe. Nonetheless, the importance of this nationalistic wing within the MDF, I believe, was much overstated outside of Hungary. Actually, over the course of the several months since this phenomenon appeared, the MDF resolved its problem and set itself apart from these tendencies. In Romania, meanwhile, for three years not only has it been tolerated, but actually use is being made of exacerbated nationalism as a means of diversion. Therefore, I do not recognize as equal the status of the situations in these two countries. Just as soon as the issue of nationalism comes up, we are told: fine, we each have our extremists, in each country a type of extremism exists, a type of nationalism. This is true, but we must look at the influence of this nationalism in each country. Just as in France there is an extreme right party, a nationalist party, so we are pointed out as an example many times.

[Cornea] Yes, the National Front, which right now does not have any deputies, although it garnered 13 percent of the French vote. Furthermore, I have many times thought that if the electoral threshold which we have in Romania according to our electoral laws were 4 percent instead of 3 percent, then the two extremist parties would not have gotten into parliament and, in this case, we would now probably have a government by the Convention.

#### Can "Positive Discrimination" Be Useful?

[Cornea] If the UDMR were in more favorable circumstances, would it be a supporter of so-called positive discrimination [preferential treatment]? That is, would it want to have certain quotas for, let us say, acceptance to universities, in favor of students of Hungarian extraction or to have certain slots reserved in sectors of government or welfare subsidies?

[Marko] Positive discrimination is a general notion which can have very many specific elements. But, what does positive discrimination mean? At the current time, we believe that we have not attained equality with regards to assisting minorities through cultural and educational institutions and through the provision of a set-aside quota from the budget from taxes paid by those citizens. And, it is also certain that in the case of welfare subsidies there is need for positive discrimination. A television program, for example, made for 18 or 20 million people costs less per viewer than would the cost for a program for a community of 2 million, let's say. Therefore, we must be aware that in this sense there must be positive discrimination. Or, in the case of a book, a manual published in one thousand copies costs

more than one published in 10,000 copies. In other words, for a Romanian student I will publish a manual in 10,000 copies, while the same kind of manual will be published in 500 or 1,000 copies for Hungarian students, and will cost much more. Therefore, in this regard, we will also have to come to some kind of positive discrimination. This example is not an eloquent one since text books now exist, but, at the same time, I believe it sufficiently explains what we are talking.

[Cornea] If such a thing were proposed, I think the UDMR should also be aware of the risks since it has been found that positive discrimination gives rise to resentments amongst those who do receive benefits.

[Marko] Yes, it is true that such feelings can be created if we do not succeed in changing attitudes. Attitudes must be changed in the sense of understanding that preserving a cultural and linguistic entity is in the interest of the entire country. Certainly, we are now far from this attitude, and we are aware of this. But, at the same time, not merely through feelings, but also through certain rational interests one can achieve a change in this regard. Positive discrimination must exist with regards to investments in the culture of minority groups, and the result is equality!

[Cornea] Is it true that it has been said that the FDSN would accept ethnic Hungarian prefects on the condition that they were FDSN members?

[Marko] Such a things has not been proposed to me, but in the statements made by those in the FDSN the following is clear: they would have named a Hungarian in the FDSN if there had been competent Hungarians in the FDSN, but, unfortunately, the competent Hungarians belong to the UDMR. I am happy with this finding, which, in fact, once again recognizes our legitimacy with regards to representing the entire Hungarian community. At the same time, I must tell you that it is not true we would have only FDSN prefects. In Transylvania, there also are PUNR prefects or independent prefects. The prefect in Mures was named as an independent prefect and he declared himself as such.

### **Everac on Relations With Iliescu, Critics**

93BA0993A Bucharest *TINERETUL LIBER* in  
Romanian 28 Apr 93 p 6

[Interview with Paul Everac, general director of Romanian Television, by Vasile Cabulea and Stefan Mitroi; place and date not given: "It Is Not a Caragiale Problem, It Is an Everac Problem," Declares the General Director of Romanian Television After Three Months on the Job]

[Text] [TINERETUL LIBER] Mr. Everac, you took over the leadership of Romanian Television [RTV] three months ago. Those three months have not "changed the world"; they have not even substantially changed RTV. But there have been problems at every step of the way, if we are not mistaken.

[Everac] Because of those very problems RTV has not changed substantially, either. With "problems" at every step which quickly turn into explosions, you cannot advance

very far, just as you cannot advance on a minefield. At every step something is bound to go off.

[TINERETUL LIBER] Some say that those mines were planted by you yourself.

[Everac] That's what some people say. We should know who those people are, as well as their aims. Some of those mines are meant for the head of the RTV, whoever he might be—and, I might add, this is true in any country. Others are meant for "the person the government put in there" and are aimed at the government. Finally, yet others are meant for Paul Everac personally, a man who, generally speaking, is less accommodating for various reasons. One of those reasons is a certain inflexibility of his, which is opposed to people having dubious interests jockeying for position. Another is a certain attachment to the country he is a part of. (I hope that everyone has finally realized that I am a Romanian to the core.)

[TINERETUL LIBER] Sure, and that your name is Constantinescu. Fine. Still, problems have arisen. One is being dubbed the Caragiale problem....

[Everac] There is no Caragiale problem, I assure you; there is only an Everac problem. The Caragiale problem was fabricated, just as other things have been. They all have but one purpose: Let's get Everac out of here.

[TINERETUL LIBER] Out of where?

[Everac] Out of the RTV, at least. I had not been here even five days yet when the Hungarian editorial staff, taking off from a remark I made in connection with their pro-UDMR [Democratic Union of Hungarians in Romania] sympathies and without consulting me for even one moment, raised a big ruckus in order to feed the Strasbourg lobby the idea that they were being persecuted and to cast me in the role of persecutor, blundering fool, and the cause of our cold reception in Europe.

After that, some of the opposition parties accused me of a lack of democratic impartiality because those parties' leaders were not seeing themselves appear on television as much as they would have liked. Their aim, however, was the same: That a supporter of theirs should be brought in to head the RTV. They turned to the union lobby, in other words to the denial of my legitimacy by a valiant union leader who, in disregard of the law and the Collective Labor Contract, ran in September as a candidate on the opposition ticket! After that an interpellation was made in Parliament to the effect that I did not let Mr. Daneliu swear until he was blue in the face and throw propriety to the winds in a publicity clip.

There has been talk of censorship, with me being the one who is inconveniencing freedom. The newspaper ROMANIA LIBERA detected, in a text published seven months previously which the paper had not bothered to criticize until then, that I am a Hitlerite. Rabbi Moses Rosen discovered from a book that was more than one year old, which His Eminence had not taken the trouble to criticize or read carefully until now, that I am an anti-Semite. A popular sports commentator, himself connected to these movements, concocted a claim that I wanted to cut

out sports commentaries, so that he could then compare me with Ceausescu. An opposition party whose representative I had invited to appear on a televised discussion program but who did not come, proclaimed that I am progovernment.

Finally, now I am allegedly also against culture, I detest Caragiale (out of envy), and I deserve to be thrown out from the cultural domain. But before I can be thrown out of culture, I first have to be thrown out of the RTV, in the name of Caragiale, because I did not want to allocate a hundred million lei just so that there could be yet another new production of "The Lost Letter," [a well-known play by I.L. Caragiale] of which we already have several original productions in our archives.

Whatever the motive might be, the leitmotif is always the same. I repeat: The problem is not Caragiale, the problem is the old has-been asleep at the reins at the RTV. Because I am in that seat, it has taken me less than three months to become: anti-Hungarian, antiunion, antidemocratic, pro-Hitler, anti-Semitic, antisports, and anticulture. People have denied that I have any literary ability, or, more generally, any good intentions whatsoever. If I object to people's pilfering things from the RTV, then it goes without saying that I am a neocommunist as well. I am cruel, pitiless with animals, nostalgic, ridiculous, old-fashioned, and I speak wretchedly, like a beginner; I have ruined the RTV....

[TINERETUL LIBER] Have you pleased anyone to date?

[Everac] I don't think so. Everyone is frustrated. Those who were hoping that I would come in with a great broadsword and "put everything in its place" are disappointed that no heads have rolled. Others are upset that I want to reform things, yet others that I give people other than themselves priority. Some people are upset that I am "protecting" the government, while others complain that I am not reigning in the opposition's political outbursts more. Some complain that I have increased the size of the security guard, others that I have not. Regarding any one given matter, thrust into the media limelight, there are always at least two opposing camps, one of which feels victimized and would like to remove me. But the other camp is never fully satisfied, either; it too would have dreamed of more, if only I were not there.

[TINERETUL LIBER] What impression do all of these sudden enmities make on you?

[Everac] A first impression is that they go with the territory: anyone sitting in my place would not be spared a good share—maybe the lion's share—of these enmities. It's the price you pay to hold this job.

A second impression is that even though the complaints are more or less individual ones from different groups, still they are somehow connected to each other underground, like a unified lobby: Get this guy out of RTV, because he's in our way. We don't need stability, we need disorder. Don't give such power to Everac, because he just might succeed in bringing back to normal the public's morale, the country's morale, which we wanted to be racked by uncertainties, and at our mercy. Don't let him uncover certain dealings, certain shady areas, certain hostile tendencies, and don't let him

combat some manifestations of degeneration which are productive for us. Rule him to be senile, a communist fascist, or even crazy, as one writer, not at all a member, claimed when he saw his wallet threatened. That writer took Caragiale into his arms and made "a scandal" out of him. Of course, Caragiale is his, not mine. Caragiale could not manage without him, just as Budai-Deleanu could not. But the important thing is that I should be crazy, that I should fall on all fours and bark. He will take care of the one I've bitten. And there are others like him, baked out of the same dough.

[TINERETUL LIBER] So you think that all these things have a political, partisan ring to them?

[Everac] They have various motivations. As usual, everyone wants to play his game at someone else's expense. With us, hate has become a necessity, a sputum, an impurity, a metabolism gone haywire. This hate provides a sad commentary on the nation, because the educated strata of society—intellectuals, writers, artists—should recognize the decadence which culture offers you. From here should come a certain detachment, a scrupulous desire for exact information, a dose of good faith. But the spectacle which some Romanian intellectuals display for you today disqualifies them, no matter how well they may spin words. You feel a flimsiness, a swaying with the winds, an adventurism. You feel the slumdweller shoving his elbows into other people's bellies so that he can scramble onto the bus more quickly.

[TINERETUL LIBER] What bus?

[Everac] I have to ask myself the same question: What bus? It's a bus which most people want to ride on. Some of them even aspire to be drivers.

[TINERETUL LIBER] There, you have become a driver!

[Everac] Yes, like it or not. And along with the difficulties of the road, with its potholes, with its narrow shoulders alongside cliffs and chasms, with the harsh weather and the shortage of fuel, I also have to deal with fellow citizens who constantly slap my hand, who want to drag me down, and who would run over me if possible—that's how good they are—so that they can grab the steering wheel and twist it. I have nothing against that, but I will warn them that the abyss is very close by. You cannot renew and lead a country just by shouting "boo!". It's really pathetic. I'm beginning to feel sorry for us!

[TINERETUL LIBER] Of all these epithets flung at you, which one has affected you the most?

[Everac] The epithets have not affected me, but those flinging them have saddened me. I have been in turn a Securitate member, an opportunist, an egotist out to line my own pockets, a fascist, an old goat, and other things, too, all according to people who think they are as pure as a dewdrop, as perfect and beautiful as Apollo, with beautiful souls. I am just curious to see what else they will be able to cook up from now on: That I'm a cannibal? That I'm a nomenklaturist? Maybe a former member of the PCR [Romanian Communist Party] Central Committee will fling that boomerang, too, in the absence of any other arguments.

Usually, former political fatcats will point toward others' double chins. As for the former UTC [Communist Youth Union] members, with their affected twang... But need we say more? One might think we would have deserved a more solid democracy, don't you agree?

[TINERETUL LIBER] Is it possible to say that the general director of the RTV has privileges?

[Everac] Sure he has privileges. Usually he comes in to work before eight o'clock and is on the go almost continuously, simultaneously playing around 25 chess games, because the problems of this institution range from the most subtle to the most flagrant. These include, among others, problems relating to construction, to the physical plant, to refitting some of our equipment at least with spare parts. I have to deal with the assignment of people to various areas which today are extremely crowded for our present setup. I am also busy receiving people who have grievances, with telephone lines humming because Mr. so-and-so was given more media exposure than someone else, or with the such-and-such party asking why I am persecuting it and favoring the other parties. Just today I had to call in an editor so that we could see what he had done during a certain investigation because, also today, some people appeared who contested the claim that this investigation had been conducted within proper limits. The result is that, having heard objections from some people and then others, I will have to view the cassette in question again after the final editing, so that I can decide if it can be broadcast this afternoon or not. And just a little while later in came a bigwig, also to protest the way a certain portion of his activities yesterday was portrayed in the media.

I had a meeting with those employees who may be reassigned to the room we call "the big goatskin." And some also demanded to know how I could move the library down from the twelfth floor, where there is a real danger if we should be hit with even the slightest tremor. Also today I had to debate matters concerning the doorkeepers' uniforms, plus spaces where posters can be put up, plus parking spaces, plus some drivers who were fined for driving onto the boulevard without possessing the necessary authorization. I have had to rule again and again on some arrangements concerning how advertising spots are being marketed and how we could provide incentives for those of our employees who bring in such advertising.

I had to arbitrate some points of conflict between two of our employees. After that came someone who presents some television programs in Germany. Then last evening I received some other people, this time from Canada, people who want to start a joint venture with us to set up a new Channel Two. The Canadians proposed quite a few variants during the past few months until we were able to settle on a formula satisfactory to both sides. Today we are also holding a meeting of an editorial department in order to analyze what they have been doing and what else they need to do from here on in.

In the following way I can say that I am indeed privileged: If I get home at around eight o'clock, relatively dissatisfied with what I was able to accomplish but in any case having

been cursed by everyone, I can go to bed with the feeling that I have gotten further than I ever expected—into a cage in which I can barely move at all. At any rate, I certainly cannot "sing" in it, literally speaking, not as you frequent theatergoers were probably used to hearing from me.

[TINERETUL LIBER] You were saying earlier that you have mediated or have tried to mediate a conflict between colleagues. Is there any connection between that and a sort of placard or slogan we are looking at in your office which reads: "No more ill will or backbiting"?

[Everac] I posted that motto from the beginning, because everyone who has passed through here has felt the need first to flatter me for being here and second to flatter his own self, placing himself, naturally, above others about whom he has not shrunk from telling me less pleasant things. The situation at the RTV is not exactly one of general enthusiasm and ardor, although I must acknowledge with pleasure that I have met several people here who are uncommonly impassioned about and extremely professional at this craft, people who would be prepared to give their lives for it. But there is also a kind of, so to speak, segregation into disparate compartments. This makes it harder to think of the institution as a whole and to make it coherent. I believe that the main reason I was given a mandate to come in here was exactly this: to ensure a certain unity of views, a single voice in decisionmaking, and maybe also a certain incorruptibility in various dealings which take place here, with our advertising spots and with many other matters.

[TINERETUL LIBER] Let's stay here in your office, where it is not hard to notice—besides, we knew about this beforehand—that there is also a telephone with a "hot" line, in fact there are two of them. Who tends to call you more often on these telephones or, as the case may be, on one of them, and where do you call more often?

[Everac] If this telephone were not "hot" you probably would not even pose that question to me, because then you would just imagine that I could be called at any minute from anywhere. But the fact that the telephone is "hot" makes it harder for me to give you an answer. This is what a "hot" telephone does: It connects me with a number of people of consequence with diverse responsibilities who no longer have to cool their heels in an antechamber here but rather can tell me right away what they want from me or can tell me the areas in which they would like the RTV's collaboration. People like this are important people and interesting people, especially when they assume such a variety of colors. I may hear one thing in one ear and something else in the other, and the two versions may or may not be complementary. My interlocutors are, however, generally very attentive when I am talking on this telephone, just as I am very attentive when I am listening to what they have to tell me.

[TINERETUL LIBER] We asked that question with a very specific purpose in mind. Please answer honestly: do not forget that this is the second day after the holy festival of Easter. How many times do you talk on one of these telephones to Cotroceni, for example?

[Everac] Cotroceni is the place I speak with the least frequently. In these three months I do not know if I have

received more than three calls from there, and they were not all from the president. As for the rest, the moment I started this job I asked the president if he wanted to make any general recommendation to me. He told me, "No, I have nothing to suggest to you; you will get along there as you see fit." And truly, I have had no heavy, unwarranted interference from Cotroceni. I have received an occasional telephone call from Cotroceni, but it was from our collaborator Mr. Mironov, in connection with our programs on science.

[TINERETUL LIBER] A lot of people are puzzled about a confession or announcement—we are not sure what to call it—of yours, according to which you go to bed very early in the evening. How is it possible for the general director of the RTV to go to bed before sign-off time? If that is how things are, how can you really know well the institution that you head; how do you watch its broadcasts, or some of them, until the end?

[Everac] It is much more pleasant for me to give credit to my collaborators, in other words not to censor them before they start, but to let them say what they think is proper after I have given them general directives on this institution's style, its avoidance of political involvement, and its pursuit of a certain accuracy of information. For this reason I am not always disposed to nor am I always capable of watching what is broadcast up until the end of the evening. This is especially because rock and sports usually take up the last part of the evening. I have no reason to check up on how a particular match turns out.

[TINERETUL LIBER] Since you brought up sports, there has been a great deal of talk in the press to the effect that you are against sports, although we know that not so many years ago you used to attend a lot of sports events.

[Everac] By now you know very well that, since I started this job, all I am is anti, anti, anti, and anti. No one gives me the benefit of the doubt any more. I will cite for you just a few of the sports which I used to participate in myself. Well, after I did soccer, after I did volleyball, after I did basketball, after I did iceskating, after I did skiing, after I did swimming, after I don't know how many other things that every young man does—I think I mentioned the ice skating—it is really hard for someone to claim any more that I am by my nature against sports. However, I am less enthusiastic when our lives are being transformed into a continual athletic siesta and, especially, when our desire to relate to other people through ideas is being transformed into an unending sports commentary.

I do not think we have the right to permanently blur our sense of reality with sporting events, at the expense of rational thought and conceptual communication. Athleticism, in my opinion, should be talked about less and practiced more. I do not dispute the fact that a sports-commentary industry exists. I will tolerate it psychologically as much as my heart will allow me; but as far as the RTV goes, you know very well that there are almost continual sports shows here. Sometimes they are even on both stations at the same time, which is a mistake. At other times other

programs are bumped from the schedule so that some game can be broadcast live. So people should not be talking about such a persecution or about such an "anti," the way some of our most beloved and most professional sports commentators, who see themselves threatened by my presence, have taken pains to talk, as if I were about to chop off the branch they are sitting on. Therefore, I want to assure you that I played tennis and volleyball until seven or eight years ago, which means that I know all of these things well from the inside, not from the outside. I have nothing against them except the excesses.

[TINERETUL LIBER] You told us that you are here from morning until night. How much damage does your work at the RTV do to your work as writer, playwright, and man of culture?

[Everac] Maybe it is more—how can I put it?—profitable. Here is what I mean: You know very well that back when I was just a writer a number of people tried their best to drive me out of the field of dramatic literature, and of the field of literature in general. They did it in this way and that, through rather sharp criticism and through more brutal onslaughts. But they did not succeed very well because—what can we do—I am more garrulous and a more facile penman than I should be. But now, at last, here it is: They have gained their end. They have found the remedy. I was brought here and truly can no longer move very far from here. But please do not think that you can rest easily now. First off, several books that I wrote—before this job, of course—are about to be published. Not only that, but I will not stay here long enough to let my literature-producing gland, which is not functioning at the moment, atrophy completely.

[TINERETUL LIBER] Since we come from the newspaper TINERETUL LIBER, we would like to speak a little about television programs for young people. Are you satisfied with the amount of time these programs are allotted in the overall television schedule and, no less importantly, are you satisfied with the quality of these programs?

[Everac] I will answer you frankly. My concern here has been to give young people the possibility of rising above the plane of their small grievances, petitions, nostalgias, or outbursts, into the plane of intellectual dialogue. My opinion is that Romanian young people are among the most gifted of any country, with indubitable intellectual prowess. There should take place here, under our eyes, under our spotlights, dialogues like these, but on themes reflecting a more general vision of the world, an orientation which should take shape as more than just grievances. Those grievances are another subject which also deserves to be treated and aired, but I still wish to demonstrate, and I will try to demonstrate the following: At the age of sixteen to eighteen, and even more later on, up through around age 25, a young person has an orientation toward expressing himself through ideas, let us say, philosophically. This kind of expression especially should be given an outlet; it can produce sparks of brilliance. This is the reason I have inserted into the new program schedule—maybe you will notice this yourselves—a so-called TV tenth grade and a TV

twelfth grade, as well as a student amphitheater. Here young people are to hold discussions just as we used to in our time. We too confronted each other over pure ideas, and those ideas were the very substance of our existence. It was not a luxury; it was the motor force of a spiritual unfolding. We borrowed these ideas from people with a certain breadth of outlook, European ideas, with an openness to the whole world. I believe that these ideas could successfully be brought back to our media outlets, so that the whole country and the whole world would find out that we are a people with an indubitable bent toward thought, and with an indubitable talent for theoretical expression. The discussions in the Romanian Forum are not always conducted with the elegance we might wish for. But maybe in this new way we will succeed in instilling from now on in young people a certain style in debating ideas which will make possible in this country, later on, a calm, productive, and constructive dialogue about all the things which concern us, starting with our very existence, with the existence of God which you referred to a little earlier in connection with Easter, and with our existence as a species, especially under this great dome of the cosmos and with the problems, big and small, which torment each of us in our inner selves. Therefore, in my opinion young people are the driving element who should lend the tone to such an enterprise.

[TINERETUL LIBER] One last question: Why do you not issue replies when you are attacked in the press from different directions?

[Everac] It's true that I do not reply, because it seems to me that most of the time the quality of the attack does not deserve any sort of reply. The moment the reply or, rather, the attack descends below a certain level, it is inappropriate for me to lower myself to the same level. If objections were or will be stated as I hope they will be, in a constructive, cooperative spirit, if I felt that the other person has the same ardor for setting things right and improving them, and especially if I felt that his competence and credentials, so to speak, confer on him a superior point of view, then without question I would enter into a dialogue with him any time. As far as that goes, I started out at the RTV by issuing an invitation to newspaper professionals to come and tell me what they were expecting from me and what they would like us to do. And instead I found myself hit with this response from some of your colleagues: "Well, if you yourself do not know what you need to do, why did you even show yourself here?" In other words, my invitation to conduct a dialogue was cut off from the very beginning. So of course when I saw that that was how things were, I said, "Never mind; I too will do as I think best." And that is pretty much what I am doing.

\* Idea of Czechoslovak Nation Analyzed  
93CH0627A Bratislava MOSTY in Slovak 20, 27 Apr 93

[Article in two installments by Ladislav Kovac: "On Czechs, Slovaks, and Czechoslovaks"]

[27 Apr p 5]

[Text]

**The Czechoslovak Nation: Fact or Fiction?**

The economic and political relations between the Czech and the Slovak Republics are worsening, and faster than even the greatest pessimists predicted. Hardly 100 days have gone by since the absurd border was laid out on the Slovakia-Moravia boundary, and already words about war have been uttered by both sides. It is really cold comfort that they are "only" talking about an economic war.

Not quite a year ago, my Czech friends and acquaintances assured me that they considered themselves not Czechs but Czechoslovaks. Today, I fear, no one would claim to be a Czechoslovak. What took place in the Czech lands in June and July 1992 is a direct textbook demonstration of the Thomian social catastrophe: The parameters of the system of opinions and behavior that had slowly and smoothly changed over a period ... two years reached a critical point. At that time, there was an instantaneous leap of the system from one stable level to an entirely different one.

It was as if, along with the Czechoslovak state, the Czechoslovak nation all at once, from one day to the next, disappeared from the face of the earth. With the exception of Yugoslavia, humanity probably has never and nowhere been witness to such a sudden death of a nation. The justifiable question therefore comes up: Did the Czechoslovak nation ever really exist?

Since the CSR was born in 1918, there have persisted four concepts of the Czechoslovak nation: the political, the ethnic, the historical, and the cultural. Unfortunately, because it was one of the reasons for the bitter end, there was never a clear delineation between them.

In a consistent political concept, the members of the Czechoslovak nation should have been all of the citizens of the Czechoslovak state that was formed. That is the political understanding of belonging to a nation in France or the United States. Every citizen of France is French, and every citizen of the United States is American, without regard to origin, race, or mother tongue. Even though such an understanding would be difficult to apply in the Central European area, where an ethnic concept has dominated and continues to dominate, in the CSR it could have been implanted that our historical justification is found in the Czech lands. In the Czech Kingdom, which consisted of two ethnic groups, the Czechs and the Germans, the German ethnics considered themselves to be part of the Czech political nation.

Unfortunately, the political understanding of the Czechoslovak nation was not consistent from the beginning. The Czechs and the Slovaks were included in the Czechoslovak political nation, but not, however, the Germans and the

Hungarians. The Germans, who until that time considered themselves equal co-owners of the Czech Kingdom, became a minority in the CSR, a tolerated and inferior one. In that way, the state, from its inception, was programmed for its inevitable end. Just as the authorship of the concept of a political Czechoslovak nation is ascribed to T.G. Masaryk, it is necessary to ascribe that fateful inconsistency to him—understandably, because the Czechoslovak Republic was born with the blessing of President W. Wilson, who suffered under the illusion that the United States could transplant the idea of freedom to Central Europe in the form of the rights of nations to self-determination and give each of them their own nation-state. Those were strange nation-states! They could become national only by splitting their citizens up into the "state-forming" nation and the "nationality" minorities. Minorities—a necessary evil and a small blemish on the Platonic idea. For the Czechs and the Slovaks to gain their own nation-state and the 3 million Czech Germans to become a minority (after all, the Germans got their own nation-state elsewhere!), it was necessary to merge those two Slavic ethnic groups into a single political nation. What was true of the Germans also applied to the Hungarians. Only 65 percent of the populace in the first CSR belonged to the Czechoslovak nation.

That inconsistency was supposed to get logical justification from the fact that the political conception was combined with the ethnic concept.

The ethnic relatedness of the Czechs and the Slovaks is such that, long before the creation of a joint state, the viewpoint arose on both sides that they form one ethnic nation. That was not generally accepted. History also complicated it because the Czechs and the Slovaks had different political histories over an entire millennium. Therefore, with the birth of the CSR, that concept of ethnic unity required the creation of a fiction of a common history. That was possible in only one way, which was to declare that Czechoslovak history was the history of the Czech Kingdom, and the newly born republic was to be understood as somehow composed of two parts, the "historical lands" and Slovakia. One "branch" of the nation, the Czech, was the historical one and the subject of and the actor in Czechoslovak history (by which they were thinking of the history of the Czech Kingdom). The other, the Slovak one, was without any history, an ethnic group whose members for centuries watched over sheep on the hillsides, worked the lands of their feudal lords, sewed pretty costumes, and gathered dear little folk songs that others "turned into" their history. That ideological pudding would have been difficult to cook up despite the sentimental myth thought up by the Slovak romanticists, according to which the Slovaks for a thousand years suffered in the slavery of the Magyar state. However, no Magyar state ever existed; there existed a state of the Hungarian Empire, whose history was equally formed by the Magyar, the Slovak, the Romanian, and other ethnic groups.

By a compromise in that conceptual confusion and, likewise, a synthesis, it was possible to come to a cultural concept of the Czechoslovak nation, arising from the feeling that the Czechs and the Slovaks, as a consequence of holding

the same spiritual values, have a common culture. Theoretically, that can be justified by the idea of what makes up the essence of a nation, which was developed by the philosopher Ernest Renan and which dominates in the French culture. According to Renan, the nation is not determined by its origin or by race or language. The nation is a spiritual family, some kind of unified collective consciousness. The unified consciousness consists of a common deliberate interpretation of the past; of a connection of feelings with the sacrifices, suffering, heroics, and victories through which the collective has passed; and in the cult of the common great ancestors. For such an interpretation to exist, it is necessary to forget about a lot of things; the collective memory is determined not by events but only by their interpretation. The collective consciousness of the nation is oriented mainly toward the present and the future and is a will to live together and an attempt at jointly realizing further great actions. The nations are made up of independent individuals who are moral beings, who join the nation on the basis of free will. In doing so, it does not depend at all on what their origin is or what their mother tongue is.

Anyone who feels himself to be the spiritual descendent of Jan Hus, Jan Komensky, Jan Kollar, Tomas Masaryk, and Milan Stefanik, who supports the founding ideals of the Czechoslovak state and the ideals of democracy and humanity, who wants to share in the common works based on those ideals can freely, through his own will, join the Czechoslovak nation.

However, it never came to an understanding of the Czechoslovak nation on the basis of such a synthesis. Those who a year ago still called themselves Czechoslovaks and so rapidly ceased to be them did not know how to say what actually became of those Czechoslovaks. One can state without reproach or bitterness that the majority of them were those for whom the adjectives "Czechoslovak" and "Czech" meant the same thing. We must include among them those in the highest offices; we can recognize them by the fact that the demise of Czechoslovakia does not fill them with either sadness or nostalgia. The idea of a Czechoslovak nation remained a fiction and a vague idea, and the confusion surrounding it was one of the reasons for the sad ending of the Czechoslovak state.

[27 Apr p 5]

#### **The Czechoslovak Nation: From Fiction to a Reality**

The concept of a nation is a historical concept. It was unknown in earlier ages. In the Middle Ages it meant something different from what it means in the modern era, and the understanding of what it is differs in modern times in various cultures. Nations have been born and are being born; they have died out and are dying out. What persists is the individual person, who has the right to choose freely the society with which he wants to identify as a group.

After World War II, Josip Broz Tito placed the inhabitants of Yugoslavia who practiced Islam into a special category. He made a new nation of Muslims out of them. Up until that time, they were Serbs, Croats, and Macedonians. Until recently, the Bulgarians did not recognize the Macedonians as a nation but, instead, considered them to be Bulgarians

because the Macedonian and the Bulgarian languages are very close. On the other hand, the Turks living in Bulgaria who speak Turkish and practice Islam were designated as Bulgarians of the Islamic faith. The citizens of Canada who speak English consider themselves to be Canadians, but the French speakers do not feel themselves to be Canadians. But they do not feel themselves to be Frenchmen, either. Switzerland is a single nation, even though its people speak four different languages. Where do we place the Avars, the Celts, and the Huns who lived on our territory? Their genes, combined with the genes of the Slavic immigrants, are carried by us in our cells today.

Dozens of examples could be given to show that the nation is a category that is limited historically and a conventional one that is in no case an eternal one. There are old nations (Egyptian: 4,000 years old), young ones (American: 300 years old), and very young ones (Muslim: 40 years old).

Some zealously insist that the Slovaks are one of the oldest European nations; others, skeptics, place the birth of the Slovak nation in the last century. At times of crisis, which bring out fully the schismatic nature and diversity of the constant values of society, doubts have appeared and still appear about whether the Slovaks are even a nation in the modern sense of the word or if they are not a surviving ethnic group that is only searching for its own identity.

Since 1918, the world has begun to accept the existence of the Czechoslovak nation. In 1993, it is adjusting to the fact that there is no longer such a nation. It is as if this nation lasted only about as long as the average human life lasts—some 75 years.

There is little written about it, but we all feel it; besides the other crisis the breakup of Czechoslovakia brought with it, we have been struck by a crisis of national identity. Slovaks, uncertain and confused, are stubbornly searching for it. How stubbornly is obvious from the fact that there is not a single value around which, so far, there could exist a nationwide agreement; various people evaluate the decisive events of history in differing and even contradictory ways, and the culturally most important personalities are extolled by some and cursed by others. The situation is such an antithesis to Renan's concept of the nation that he himself would probably join with those who doubt the fact that the Slovaks are a mature nation. But the Czechs must also search for their own identity anew. The same is true for the members of the national minorities: the Germans in the Czech lands and the Hungarians in Slovakia.

The ones most affected by the identity crisis are probably those who live in families based on mixed marriages. It is estimated that there are approximately 2 million of these, 12 percent of the population. They speak both Czech and Slovak and love the country and the culture of both their states of heritage equally. Their crisis of identity has a simple solution, however; it is necessary that they be aware that they are the actual, nonfictitious Czechoslovaks.

It is thanks to them and through them that the existence of a Czechoslovak nation can be considered as a reality, along with the two other nations, the Czech and the Slovak. Just this real existence should make it possible for other citizens,

as well, from one or the other republic, to chose of their own free will to join the Czechoslovak nation without regard to what nationality their parents were. A new nation that was born only recently, in this century, while the Czech and the Slovak nations have existed for hundreds of years. A nation that considers itself to be the heir of all of the values, material and cultural, the Czechs and the Slovaks created (although neither one nor the other is upholding them now) and that consists of those citizens of the CR [Czech Republic] and the SR [Slovak Republic] who are committed to building a joint work and to further developing the common Czechoslovak culture.

The nationality minority of Czechoslovaks who live in the two separate states could have a decisive interest, as well as decisive participation, in the actions that now, in the stormy months after the divorce, may appear only as pious wishes for the restoration of the political union of Czechs, Slovaks, and Czechoslovaks. In the CR, there have already been established the Union of Slovaks in the CR and the Democratic Alliance of Slovaks. In the CR and the SR, there should be a revival of Czechoslovak unity and the institutions founded back in the last century. It is urgently necessary that the program of restoration of political unity be supported by those who also serve the noble-minded idea of a spiritual federation. This program cannot be allowed to be compromised by its serving the ambitious politicians as a pretext in pursuing other political interest.

The new concept of the Czechoslovak nation, consistent with the cultural one, could become the element of transmission for maintaining cultural unity and could carry it over to political unity for the future.

Is this a Utopia? Possibly, but not inevitably. History does not have a predetermined path and is full of unexpected turns and surprises. It is as much a work of accident as it is of deliberate efforts. There is no reason for resigned fatalism.

It is almost certain that the strategic interests of the SR, and even more that of the CR, will not be sufficiently strong in the future to force a political reunification. Unification can only take place in a case where, in both states, there is a persistent awareness of the cultural unity and a bond of feelings, as was the case where it persisted in a divided Germany after World War II. The Czechoslovaks among us have an important mission in maintaining this consciousness. But today the main thing in which they should be involved is preventing a divergence, both economic and cultural, or at least slowing it down. If both republics draw away from each economically and if there is a European Iron Curtain laid out in Moravia, the idea of reunification will dissolve, and every one of us who believes in it will be judged by the future as only naive dreamers.

**\* Dispute Over Slovak Villages Clarified**  
93CH0626A Bratislava MOSTY in Slovak 27 Apr 93 p 5

[Commentary by Jan Rychlik: "What Was the Real Story About the 26 Villages in Orava and Spis?"]

[Text] In recent days, irresponsible people have been bringing up the issue of the Polish-Slovak border and presented the absurd demand that the Czech Republic should pay Slovakia compensation because 26 villages in Spisko and Orava were given to Poland in 1918, for which (it is claimed!) the Czech lands got the Tesin region from Poland in return. That claim is taken from the scribbles of Ludak pseudohistorians and publicists and has no basis in fact.

The reality is that, after 1918, Czechoslovakia asked for the historic border with Poland, whereas Poland stood on the ethnographic and ethnic principle. According to the Czechoslovak demand, the CSR was to get the entire Tesin Silesia, and the Slovak-Polish border was to be identical with the northern border of the former Hungary so that upper Orava and Spis were to go to Slovakia, whereas the implementation of the Polish plan would have meant the loss of the entire Tesin region up to Ostravica, as well as lower Spis and Orava. (Let us set aside for the moment the question of whether the Spis and Orava population is really Polish, as the Polish Government claimed.) Because the Czechoslovak and the Polish positions could not be reconciled, a compromise had to be made, which was also approved by the victors of World War I: The Tesin region as well as Orava and Spis were split. Therefore, the Tesin region was not acquired by exchanging it for Orava and Spis! And I must add that acquiring the Tesin region was important for Slovakia, as well, because, at that time, the only railroad connecting Bohemia, Moravia, and Slovakia led through that region—that is, the railway line Bohumin-Kosice. The railway lines Horni Lidec-Puchov and Veseli nad Moravou-Nove Mesto nad Vahom did not exist at that time, and other railway lines (Brno-Trencianska Teplice, Skalica-Sudomerice, Hodonin-Holic, and Breclav-Kutny) were only local lines, not suited for freight transportation or express trains.

In 1938, Poland took advantage of the Munich dictate and forced the surrender of most of the Tesin region as well as of lower Orava, Spis, and Kysuce. A year later, the already independent Slovak state joined Germany in the war against Poland and received from Germany the entire Orava, Spis, and Kysuce regions.

Because Czechoslovakia stood on the principle that the Munich dictate is null and void, in 1945 the border with Poland was arranged so that it looked the same as in 1938: Poland returned the Czech part of Tesin Silesia and Czechoslovakia the upper Orava and Spis. Even in this case, we cannot talk about an exchange. After all, the fact that the Munich agreement was invalid was an essential issue for Slovakia, as well, because otherwise it would not have gotten back Petrzalka and Devin, especially the territory annexed by Hungary on the basis of the Vienna arbitration of 2 November 1938. It is also naive to maintain that, if Slovakia had continued to be independent after 1945, it could have kept upper Orava and Spis. Slovakia would have been on the side of the defeated, whereas Poland was on the side of the victors, and it is therefore clear that, on the contrary, Poland would have made other territorial demands, minimally in the extent of the fall of 1938.

But it must also be said that, from the standpoint of international law, the entire matter is in fact irrelevant. The Slovak Republic [SR] cannot demand any compensation from the Czech Republic [CR] and could not do so even if the then Czechoslovak Government had really exchanged Orava and Spis for the Tesin region because, at that time, neither the CR nor the SR existed. Czechoslovakia was a single subject of international law, and its territory was also a single territory.

The Slovak idea about compensation, if it were to be implemented, would be a dangerous precedent and could lead to total chaos in international relations because, according to the same principle, the CR could, for example, demand compensation from Austria, on the grounds that, in 1745, Maria Theresa conceded Silesia, which until then belonged to the Czech Crown, to Prussia.

#### \* Towns Demand More Rights for Local Governments

*93CH0609A Bratislava SZABAD UJSAG in Hungarian  
23 Apr 93 p 1*

[Article by Zoltan Balassa: "More Rights for Local Governments!"]

[Text] The Association of the Towns and Villages in Slovakia held its third congress in Kassa [Kosice]. Of the more than 2,800 settlements in Slovakia, nearly 2,300 belong to the association and were represented by 5,548 delegates. The association had invited Slovakia's president, its prime minister, and the speaker of the Slovak Parliament to the congress, but none of them attended. Several speakers regarded the absence of these officials as inappropriate. Roman Kovac, the deputy prime minister, Imrich Andrejcak, the minister of defense, and Imrich Hamarcak, state secretary at the Ministry of the Interior, put in an appearance only in the afternoon.

A report on the association's work during the past period was followed by debate. Several speakers emphasized in the debate the Slovak government's failure to date to establish cooperative relations with the association, although the latter has gained international recognition during the three years of its activity, and even won observer status before the Council of Europe in 1990. On the first day, the congress split up into three sections to debate various ranges of topics and to fit the introduced proposals into their respective draft programs, which were presented to the congress on its second day. The section on financing settlements reviewed the questions of housing policy. It proposed that the government and the association form a joint committee on the financing of settlements. The Tax Law has to be amended so that certain taxes could be used as local revenue. The settlements should regain their historically warranted land and [other] real-estate properties.

The section on administrative territorial divisions proposed the dismantling of state administration, and the devolution of certain scopes of authority on the local governments. It urged the [Slovak] National Council to ratify the European Charter of Local Governments, and to take the historically evolved regions into consideration when establishing

administrative territorial divisions. The participants approved a proposal calling for the association to support the version under which the mayors of the municipalities in a given region are the members of the regional councils.

The section of municipal services considered the problems of environmental protection and of public utilities. The section established that the problems stemmed from the unsuitable distribution of allocations, which did not leave sufficient funds for the most important investments.

To replace Miloslav Hettes, the association's retiring president, the congress elected Michal Sykora, the mayor of Csorba [Strba], who served up to now as the association's vice president.

#### \* Protest Against Slovak Classes in Hungarian Schools

*93CH0609A Bratislava SZABAD UJSAG in Hungarian  
23 Apr 93 p 1*

[Statement signed by Arpad Ollos, mayor of Dunajska Streda, Peter Pazmany, deputy mayor, and Dr. Aladar Farkas, office manager; date not given: "Standpoint"]

[Text] At its meeting on 20 April 1993, the Dunaszerdahely [Dunajska Streda] Municipal Council deliberated the situation that has developed at the Dunaszerdahely Specialized Secondary School of Health Care, in which Hungarian is the language of instruction.

The Council found that the initiative of the Ministry of Health, and of the councilmen belonging to the DSZM [Movement for a Democratic Slovakia], to establish Slovak or bilingual classes in Slovakia's only nursing school in which Hungarian is the language of instruction, is unwarranted.

A precondition for the survival of ethnic groups is that they gain complete proficiency in their native language and be able to use it in all walks of life, including health care.

The conduct of the councilmen belonging to the DSZM is hauntingly reminiscent of the party practices employed before November 1989. Therefore the Dunaszerdahely Municipal Council protests against party-based interference in the internal affairs of educational institutions.

#### \* SNS Congress Turns to New Goals, Challenges

*93CH0626B Bratislava SLOBODNY PIATOK in Slovak  
30 Apr 93 p 2*

[Article by Marian Sklenka: "Many Are Called—Few Chosen?"]

[Text] The weekend in the great assembly hall of the Andrej Hlinka House of Culture in Ruzomberok belonged to the 5th Congress of the Slovak National Party [SNS]. We can say that, at the congress, which the party itself said represented a turning point, many inspiring and welcome ideas were heard. The SNS is beginning to shake off its postelection lethargy and is searching for its permanent place on the Slovak political scene and in international politics. The primary goal it set for itself is responsibility for Slovakia,

for its fate. That was also the reason the chairman of the party, Ludovit Cernak, asked the plenum in his introductory remarks two basic questions: What are you, and where are you going, SNS?

The postelection courting of the HZDS [Movement for a Democratic Slovakia] is over, and the SNS has accepted the role of an opposition party. The SNS was first to come forth with the program of creating a sovereign Slovak republic, fought for its creation, voted in the parliament in favor of its sovereignty and a Slovak constitution, and was prepared to enter into a coalition with the victorious HZDS. And it happened: In the state for which it fought, it was finessed into the opposition.

The party chairman did not remain silent about the fundamental problem in the relationship of those two political entities: The SNS favors a government of a broad coalition; the HZDS is not willing to discuss a coalition government. The party therefore had no choice but to join the ranks of the opposition, which, according to its chairman, made the Slovak political scene more perspicuous. The turning point arrived at during the 5th SNS Congress is to be found in the fact that the SNS adopted a program of solutions for Slovakia and a new charter, by which the SNS took a

position somewhat to the right of center. Well, solutions for the present dismal situation in Slovakia are being sought also by the HZDS, the SDL [Party of the Democratic Left], the KDH [Christian Democratic Movement], and the KSU [Christian Social Union]—in other words, many are called but, so far, we do not know which will be the chosen one. For the time being, it is the HZDS, but its postelection certainties and sovereign position are slowly but surely being undermined by the mistakes and poor judgment of its own functionaries.

A small sample of how we Slovaks are uniting and how "worldy" we are was experienced by the delegates and guests at the Ruzomberok congress. The guests offered introductory greetings, beginning with the SDL and ending with the Ruthenian Rebirth, but the HZDS deputy chairman, Roman Zelenay, who was present, did not step up to the podium, allegedly because the SNS deputy chairman Anton Hrnko did not speak at the HZDS congress in Trnava. We can merely observe with sadness that neither of the mentioned deputy chairmen took a felicitous step to bring closer together or unite their forces to work together. Maybe they think it is enough simply to give speeches about unifying or joining forces for the benefit of Slovakia.

**Party of Democratic Action Assesses 3-Year Work**

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Network in Serbo-Croatian 1300 GMT 27 May 93

[Text] Today, the Party of Democratic Action [SDA] held a news conference in the International Press Center in Sarajevo on the party's third anniversary, its work, and the achievements and errors of the membership and the leadership. Mladen Bosnjak reports:

[Bosnjak] Hadzo Efendic and Edip (?Bukic), members of the party's Executive Council, and Naim Kadic, head of the SDA deputy caucus in the Assembly of Bosnia-Herzegovina, spoke about the most important details in the three-year work of the SDA.

Edip (?Bukic) divided the last 36 months into different periods; the first six months, during which the party first set itself up in the organizational sense and then affirmed itself prior to and during the election as the legitimate representative of the (?majority) of the Muslim people, and then two further periods of about 15 months. The first 15-month period is characterized by the party's parliamentary activities. The second 15-month period is the war period. (?Bukic) mentioned the following as the most important successes:

[Begin (?Bukic) recording] This is the arming and the preparation of the Muslim people for defense. In other words, the setting up of a broad defense front. This is the best proof [words indistinct] on the virtually entire territory of Bosnia-Herzegovina. This means that resistance is put up everywhere.

The second thing is that, together with all those who took part in the work of the Presidency and Government, the SDA succeeded in organizing, even before the war, the reserve units of the Ministry of Internal Affairs, which had a certain amount of arms at that time. In this way we, mainly, managed to secure arms for the masses, mainly the Muslim masses. [words indistinct]

The SDA has also provided a significant financial contribution for the defense, by taking part in the purchase of arms. Among other things, [words indistinct] in the war so far it has (?gotten in touch) with 2,165 families of killed fighters. [words indistinct] gave their lives for this republic. The

party gave suitable presents to the families of all these fighters. The current value of these is 216,000 German marks. [end recording]

[Bosnjak] Naim Kadic, head of the SDA deputy caucus, spoke about the party's contribution to the general assembly activities, the party's efforts to obtain a position for Bosnia-Herzegovina that would be equal to the one enjoyed by the Bosnia-Herzegovina of the former Yugoslavia, then the party's efforts to set up Bosnia-Herzegovina as an independent, sovereign, and internationally recognized state, as well as the party's efforts to accomplish all this through a democratic dialogue and decisions, and in a peaceful way.

Hadzo Efendic concluded the part of the conference devoted to the three-year work of the party by saying that, following all the decisions taken by the international community, Bosnia-Herzegovina will now have to unite all available potentials and forces, all those who are in favor of a (?free), sovereign, and unified state, for this aim to be achieved.

Regarding journalists' questions and SDA's answers, we consider the remarks by the SDA's representatives on relations with the Croatian Democratic Community and the increasingly frequently mentioned Serbian Consultative Council the most important.

Messrs. Naim Kadic and Edip (?Bukic) said the following about this.

[Begin recording—unidentified speaker] I personally think, as do the majority of the deputies, that the Croatian Defense Council and the Croatian Democratic Community cannot be equated. There are big differences between them [words indistinct] and we cannot act as an arbiter as to who is following what line and what line is the correct one for the Croatian people. This should be done by the Croatian (?deputies) and their political leaders. I must say that my impression is that the majority of these deputies (?support) the fight for a sovereign, independent, and unified Bosnia-Herzegovina.

Regarding the Croatian Democratic Community, we accept it as our partner and will strive in our struggle to resolve the clashes in a peaceful way, as much as is possible.

The question of the Serbian Consultative Council is, in fact, a question of how strong this council is. We must (?judge) our partner according to his real strength, what is behind him. The SDA is prepared to share power, talk, and negotiate with all those who have actual power. [end recording]

### Need To Revive Shipbuilding Industry

93BA1029C Zagreb DANAS in Serbo-Croatian 7 May  
93 pp 28-29

[Article by Zeljko Luburovic: "Dry Slipway"]

**[Text]** *The government and shipbuilders must find their common interest because shipbuilding accounts for 70 percent of the state's foreign-exchange revenues.*

Shipbuilding has long occupied a central place in discussions about the Croatian economy. While some see it as the basic Croatian sector and a comparative advantage, and Croatian ships as the only product with a recognizable Croatian trademark, others declare all of this to be a liability to the Croatian economy and a failed investment. The fact that the government itself is uncertain about what to do with shipbuilding is evidenced by the statements made by its top figures, including the prime minister himself. Not infrequently contradictory in their actions, the members of the government are proof that it has not yet adopted a clear stance on what should be done with this sector of the economy. Not even Prime Minister Nikola Valentic has been consistent in several recent public appearances, hence the various opinions of his ministers: Some are in favor of government support of shipbuilding, while others would put it on the auction block, and that should come as no surprise. What is surprising, however, is the fact that the government has yet to formulate a strategy for dealing with shipbuilding, an activity that, aside from providing foreign-exchange revenues, can potentially be involved in the reconstruction process.

Dr. Branimir Lokin, the chairman of the administrative board of Jadranbrod (Croatian Shipbuilding Company), sees shipbuilding as a sort of generator of the country's balance sheet, but in this difficult situation, when even already contracted orders are being cancelled and almost no new ones are coming in, he contends that short-term state assistance is necessary now for the long-term interest of shipbuilding, but also of the state. And that is because, he contends, 20 percent of the industry's production capacities can be used to rebuild Croatia and Bosnia-Herzegovina, with the utilization of capital from Arab, oil-exporting countries. Dr. Lokin also contends that if shipbuilding receives state support, it has the capacity to actively employ several thousand returnees from the homeland war. In contrast, Prime Minister Valentic has publicly stated that the first step in reviving shipbuilding is in fact to fire nearly half the industry's employees. But according to Dr. Lokin, this continuous dilemma, whether or not the number of employees is a generator of the business crisis, is irrelevant in this case. Especially since building a ship can be compared only to the building of a city, so that every employee in that process is a precious commodity. And even now Croatia has problems with the outflow of skilled personnel in shipbuilding—not only engineers, but also all other kinds. They are going to the West, where they are welcomed with open arms, while the Croatian shipbuilding industry is left without personnel, requiring an investment of many years. Which costs money, of course.

### To Avoid Being Late

This is precisely why it appears that the government and the shipbuilders are constructing their stories on completely different "slipways." While the shipbuilders assure the government that they will need only several hundred million dollars in order to bridge the current crisis and face the end of the century ready for new orders, the government is trying to emerge from this labyrinth by citing the overall poor state of the Croatian economy. But can shipbuilding, whose product accounts for 70 percent of the country's foreign-exchange revenues, be regarded through such a simplified prism? In a study drawn up by Jadranbrod, Croatian shipbuilders warned the government about the depression that has hit this sector, but that is clearly not specific to Croatia. The situation is such that there are practically no new contracts, and even the production that is going on is hampered by the lack of financial means from advance payments on new contracts. That is the reason for the serious danger that current production too will come to a halt, and some contracts have already been cancelled. This is furthered by the fact that advance payment guarantees by domestic banks are unacceptable, a situation that has been furthered by the war. And this is because new construction moves along with cash payments during construction, so that shipbuilders are forced to secure advance payment guarantees from commercial banks. Because of the war, the interest of foreign banks in offering such guarantees is nil.

Despite all this, however, some shipowners are interesting in building ships at Croatian shipyards, but with payment only upon delivery. That, of course, is not favorable, since shipbuilders cannot provide production financing from their own resources. That is precisely why Dr. Lokin contends that shipbuilding, and not roads, should be a public works project, because the capital turnaround is much faster and the effect of earnings on the country's foreign-exchange balance is immeasurable. Thus, without their own resources, shipbuilders are in danger of having empty slipways as early as in 1994. If that happens, Dr. Lokin says, there will never be any turning back. Because South Korea is persistently trying to take over Croatia's place in the world of shipbuilding, so that right now, according to Dr. Lokin, is the last opportunity to ensure the survival of Croatian shipbuilding on the world market. And the recognizable Croatian trademark in shipbuilding has come about by virtue of the fact that throughout history the Croats have been one of the three European nations, besides the Dutch and the Danes, who have built the best ships. Of the three, only Croatia is still a serious partner on the world shipbuilding market. Even Greece has dropped out of this market, to which there is no returning once one has left. That is why the Croatian Government must adopt a strategic approach to shipbuilding, which could experience a new boom at the beginning of the next century (according to predictions by renowned consulting firms). This is because around 16,000 new orders are predicted in order to rejuvenate fleets, but also because of the increasingly strict ecological imperatives that force shipowners to have tankers with dual bottoms. Split Shipyard is already building such ships, and for the last three years it has been the recipient of the award for ship of the year. Perhaps that alone is reason

enough to begin discussing the prospects of shipbuilding more seriously. Previous attempts between the government and the shipbuilding industry have been futile.

#### Strategic Interest

Aside from the war, one specific characteristic of the Croatian shipbuilding industry is the process of ownership transformation. But the shipbuilders are convinced that with one-time and short-term government aid they will be strong enough to weather that process as well. Specifically, they contend that together with the emergence from the shipbuilding depression there will also be a transformation of ownership in the shipbuilding industry, so that, in their opinion, the state need not fear that it will remain the eternal Maecenas of shipbuilding. That is clearly not what they are interested in, the shipbuilders say. They see part of their future in the strategic economic processes unfolding between Italy and the Middle East, but also in the processes that are gradually taking hold of the Pannonian corridor. Because of the shipping trade that takes precedence in these processes, shipbuilding is an opportunity that must be seized right now. And in order to do so, there must be mutual interest, by the government and the shipbuilders. What is needed, the shipbuilders suggest, is a solution to the problem of the coattails of the past. This means most of all defining and quantifying losses, and then covering them either with the public debt of the Republic of Croatia, by clearing indebtedness administratively, or by adding the debt to the SFRY succession. As far as the latter is concerned, it must be recalled that Croatian shipbuilders filed a

charge against the former FEC [Federal Executive Council] based on uncovered losses that resulted from the unrealistic exchange rate of the Markovic dinar.

It is noticeable that the role of the state is critical in this transitional period, but only to the extent that the Croatian foreign-exchange giant does not fade away. The shipbuilders propose that they be provided loans from the general allocation of the National Bank of Croatia—not from additional issue, but rather from a redistribution of the allocations already approved and by directing them into production for export. They are also interested in term redemption of foreign exchange. By committing financial resources, the state would be involved in this process for no more than 18 to 24 months, after which the shipbuilders expect to be liquid on their own. Until then, the shipbuilders are not certain whether they will manage to keep going in the world currents of the international capital market, and it is possible that a situation of full unemployment will arise if the state's attitude toward shipbuilding does not change. Those who understand shipbuilding do not want to even think about the social uproar that such a situation would provoke. Because the 20,000 people employed by the shipbuilding industry and the even larger number of people indirectly linked to it represent numbers with which very few governments in the world have been able to find a compromise. That is why it is instructive for the government to consider the consequences of its uncompromising attempt to emerge from the shipbuilding crisis.

### Democratic Party Holds Convention

93BA1026C Ljubljana DNEVNIK in Slovene 10 May 93 p 4

[Article by Peter Kavalar: "The Voters Were Cheated by the Coalition"]

[Text] *The Democratic Party's annual conference: initiative for establishing a new democratic alternative; a centrist party, for parliamentary democracy, against governmental or presidential authoritarianism.*

Slovenska Konjice, 10 May—The Democrats, at their annual conference at the cultural center in Slovenske Konjice, reviewed the year's work, adopted program orientations, and modified their statute. In this regard, one should give particular emphasis to their initiative for a new democratic alternative, which means not only ties among the opposition, but also a merger in the center, i.e., a merger of the fundamental elements of Slovene tradition. In domestic politics, such a centrist party will advocate primarily parliamentary democracy, and reject any presidential or governmental authoritarianism. The initiative for cooperation will be sent to the SDSS [Social Democratic Party of Slovenia] (Pucnik's), the Socialists, and the Ecological Social Party.

Party president Igor Bavcar felt in his report that after Lojze Peterle's fall the Democrats should not have stayed in the government; before the elections they paid too little attention to the fact that Drnovsek was establishing ties with the SKD [Slovene Christian Democrats]. The members of the DS [Democratic Party] are mostly wealthy and professionally successful citizens, they often do not deal with politics aggressively enough, and there is not enough of a positive, activist atmosphere in the party. The present grand coalition, from the standpoint of the campaign promises, is a sort of deception. That coalition essentially represents dividing up political fiefdoms.

In his letter, Dr. France Bucar, who was justifiably restrained, called primarily for fighting for the inviolability of the present constitution, since there are severe pressures, especially in connection with local self-government. Amendments would lead to the elimination of everything that we achieved by overthrowing one-party totalitarianism. Igor Omerza warned about the inappropriate economic policy, and listed several economic regulations that still did not exist in Slovenia. Tone Persak advocated the rehabilitation of basic values such as honesty, business morality, respect for all property, fair play, and social sensitivity. Regarding the scandals, he thought that the persons behind the upheavals were those who were part of the previous system of authority and were now quietly returning to the scene through the methods that they used previously.

Dr. Dimitrij Rupel, who explained the new democratic alternative in detail, also thought that the present government coalition, which was legal, was not an expression of the will of the voters. In the discussion of relations with Croatia, he urged that we now act according to the accepted principles; if the other side is not serious, other methods also come into consideration—but by no means Balkan ones.

During the discussion we heard a demand that it be clearly stated what the struggle against fascism and Nazism, collaboration, and the struggle against communism were. In addition to a law-governed state, we also need a social-welfare one. The Democrats must be more decisive on nationality issues. They should prepare several thematic conferences and send their conclusions to parliament.

The amendments to the statute are aimed primarily at greater internal democratization of the party, and they commit the leadership to cooperating more with the municipal committees; they require more appropriate regional representation in the party's leadership, and more working bodies. The regional and intermunicipal coordinators are an innovation. The amendments to the statute were also the reason for supplementing and expanding the republic leadership; Jelko Kacin was elected the party's fourth vice president.

### [Box, p 4]

#### Story About Lobbying

During the discussion, President Igor Bavcar spoke in more detail about the Hit scandal, regarding which he said that it was not a conflict between the DS and the LDS [Liberal Democratic Party]. "It is a story about lobbying politics in support of out-of-control privatization, and moreover in the gambling industry, where a tremendous amount of money is circulated and where there is a suspicion that the old structures are trying to privatize what they previously succeeded in acquiring through political and police power. The grand coalition is ideally fertile soil for such attempts. It would therefore be advisable to disband the VIS [Security-Information Service] and reorganize it, and put it directly under parliament's control." In Bavcar's opinion, the parliamentary investigation should therefore be started and brought to completion. It must show who is involved, and above all it should bring a realization that changes in this area are needed, "so that we can say with pride that Slovenia is a state with a parliamentary democracy and legal order."

### Croatian Peasant Party Established in Sarajevo

93BA1026A Ljubljana DELO in Slovene 12 May 93 p 9

[Interview with Dr. Ivo Komsic, president of the Croatian Peasants' Party, by Zdravko Latal; place and date not given: "We Will Strive for Peace"]

[Text] *The Croatian Peasants' Party [HSS] has been founded in Sarajevo, and Dr. Komsic has been elected its president; the foundation for the development of the future Bosnia-Herzegovina is the democratization of all three national communities; the media are to blame for the hostility.*

From our contributor.

Sarajevo, 11 May—"The fact is that the policy of the HDZ [Croatian Democratic Community] in Bosnia-Herzegovina and toward Bosnia-Herzegovina has changed, and it has had catastrophic consequences especially for the Croatian population. The policy of territorialization and the migration of entire peoples is a crime against all peoples, and especially

against the Croatian people," HSS President Dr. Ivo Komsic emphasized in an interview for DELO.

It is no secret that the popularity of the HDZ in Bosnia-Herzegovina among intellectuals, businessmen, and ordinary people in Sarajevo, and also in other parts of Bosnia-Herzegovina, is increasingly waning. The Catholic clergy is also not at all in favor of the leaders and policy of the present leadership of the HDZ and the western Herzegovina provinces. They think that in the first democratic elections in Bosnia-Herzegovina after the war, the HDZ could be left without a single seat on the parliamentary benches. For this reason, and also numerous others, it was high time to expect the emergence of a new party that would include residents of Croatian nationality. Thus, during the Easter holidays in Sarajevo, a founding-renewal assembly of the HSS was held, at which university professor Dr. Ivo Komsic, a former official in left-wing parties, was unanimously elected president. With the establishment of the HSS, several questions arose among the public: whether one more national party had emerged, or whether the new party would have a civil option, i.e., whether there would also be room in it for people of other nationalities, Serbs, Muslims, and especially those who identified themselves in the last census as Yugoslavs. We posed those questions to HSS President Dr. Ivo Komsic.

[Komsic] Whoever deals with politics, especially in this times, should analyze the current social conditions very precisely. The people who renewed the HSS's activity conducted such an analysis and determined that the war in Bosnia-Herzegovina, which is aimed against the population and contains all the elements of genocide, has destroyed social institutions and the social structure. In Bosnia-Herzegovina we have slipped to the lowest strong point, i.e., to the phase of the social structure, to the peoples. In this war national structures have emerged in Bosnia-Herzegovina, peoples who have their own armies and are fighting for the survival of their peoples. Since we are aware of this, we decided to renew the HSS's activity in the hope that at the same time it would be the beginning of a renewal of the social structure, without which neither the state nor social institutions can exist. In order to renew the social structure, it is urgently necessary to take care of democratization of the national communities, i.e., to promote pluralism in all three national communities. If we deal with the situation in Bosnia-Herzegovina from this point of view, it is not difficult to answer the question of why one more Croatian party has emerged in Bosnia-Herzegovina, in addition to the ruling HDZ. Our program's commitment is not only the democratization of the Croatian population, but also of the other two national communities. In our opinion, that is the foundation for the development of the future Bosnia-Herzegovina. Why was it precisely the HSS that undertook this? Specifically, it had the longest tradition of democratic and peaceful conduct in Bosnia-Herzegovina and in Croatia. It was the leading democratic party in Croatia until the beginning of World War II. It also had the adjective Republican in its name, i.e., it is open to all people who agree with its program. The latter is broadly formulated politically and economically. It is based on Radic's policy, adapted to the present day.

[Latal] One can conclude from your answer that the HSS is not a nationalistic party. To what extent, then, is it a civil one, if it is also open to people of a different nationality?

[Komsic] The HSS is not a nationalistic party. As far as the concept "civil" is concerned, one has to be cautious, since it has been quite vulgarized in Bosnia-Herzegovina. I am afraid that people who talk about civil options usually do not know what is involved.

[Latal] The HSS's popularity in Croatia is growing. Is your party's headquarters in Zagreb, like that of the HDZ in Bosnia-Herzegovina, or in Sarajevo?

[Komsic] The headquarters of the HSS for Bosnia-Herzegovina is in Sarajevo. Our party is completely autonomous and independent. That is also clearly stated in our statute. We are part of the political philosophy that was promoted here even before World War II. It is understandable that we will cooperate closely with the HSS in Croatia, since the same political philosophy is involved.

[Latal] Will your party, in accordance with its program orientation, democratic tradition, and the political philosophy that you mention, support a national, civil, or confederate system for Bosnia-Herzegovina's society and state?

[Komsic] For the time being, it is very difficult to talk about the political and social system in Bosnia-Herzegovina beyond what the international community is offering. We will particularly strive to have peace established here; that is our party's principal strategic orientation. As political realists, we are convinced that peace can only be established on the basis of the solutions offered by the international community. As a democratic party, we require peace in order to be able to act. It will only be possible to carry out the necessary democratization within the framework of the national communities after the war is over. I think that as far as the future is concerned, one should not experiment too much. The democratic orientations and solutions of modern social systems are known, as far as Bosnia-Herzegovina's future is concerned, but the concept of a civil state should be handled very cautiously. It is a contradictory term, since it is not possible to establish a civil state; that adjective applies to society, and not to the state. A civil society is based on the principle of individual status, but the state is based on general principles. The HSS's goal is to establish a civil society, i.e., to promote the principle of individualism, the individual status of private ownership, and the protection of human rights and property. In a civil society the basic principle is that the individual recognizes another individual, and likewise, one people has to recognize another as equal to itself, with equal rights.

[Latal] The HSS has publicly criticized the HDZ, and especially its leaders, for many things, because they did not help the Croatian people in Bosnia-Herzegovina at the worst moments and because they are taking care of them from Zagreb. You, however, are prepared to cooperate closely with the HDZ, even though your democratic and program orientations are essentially different from the political strategy and tactics of the HDZ for Bosnia-Herzegovina?

[Komsic] Our position on the HDZ is that it had bad luck because it concluded a coalition with parties which regulated their mutual relations by war, i.e., that it will be very difficult for the HDZ to get rid of the liability of having been in a coalition with the party that carried out the aggression against Bosnia-Herzegovina. The SDA [Party of Democratic Action] can also be criticized for the same thing. The HDZ's future is in jeopardy because of that liability, even though it did not want war itself.

In the second place, an equally important fact is that the HDZ identified itself with the Croatian Defense Council [HVO] as its own army. We think that it was a mistake, and that the HVO can only be treated as the army of the Croatian people in Bosnia-Herzegovina, which is successfully defending members of its people. That is also why we are supporting the HVO and we want it to defend Croats until the end of the war. All the good and bad aspects of that army's activity, however, will be associated with the HDZ. It is precisely for those reasons that we decided to reestablish the HSS, which will not have any sort of liabilities and will positively value everything good that has been done, and at the same time point out all the mistakes.

The fact is that the policy of the HDZ in Bosnia-Herzegovina and toward Bosnia-Herzegovina has changed, and this has had catastrophic consequences especially for members of the Croatian nationality. The policy of territorialization and the migration of entire peoples will affect precisely the Croatian people the most, since we are scattered throughout the entire territory of Bosnia-Herzegovina; the Croats only constitute the majority people in a handful of municipalities in Bosnia-Herzegovina. We think that the fulfillment of this policy would be a real crime against the Croatian people, which must not renounce its Bosnia-Herzegovina homeland, and we will fight for every Croat on Bosnia-Herzegovina territory.

It is tragic that the members of the Bosnia-Herzegovina presidency and government who are of Croatian nationality left Sarajevo, and thus the Croats beyond the border of Herceg-Bosna have been left without political and state support. It is precisely because of that kind of behavior by the HDZ leaders and our critical attitude that numerous Croats, and also residents of the other two nationalities, are joining the HSS on a large scale. Our party will cooperate with the HDZ as well as with all other parties, since it supports peace and having all problems eliminated through compromises. We do not want political disputes with any party, including the HDZ, since that would only aggravate the political situation in Bosnia-Herzegovina.

[Latal] You mentioned disputes and conflicts. Some people think that the conflict between the HVO and the Bosnia-Herzegovina army is actually the fruit of extremely successful activity by the KOS [military counterintelligence service], others think that it is a consequence of the dissatisfaction of some forces in Bosnia-Herzegovina and beyond its borders with the Vance-Owen plan, and yet others explain it as a consequence of aggressiveness. What is your opinion of it?

[Komsic] For the time being, it is hard to condemn anyone. Our party does not want to be a judge. In fact, we think that it is necessary to improve the situation, and with those judgments it would be aggravated further. You listed several possible causes of those conflicts. We in the party do not have enough reliable information to be able to make a determination. I myself think that all the causes cited led to the conflicts, but in fact it is not possible to attribute all the blame to the KOS, especially where it was not active. Above all, it could not cause such violent hostility and conflicts by itself.

I know that the Muslims and Croats did not hate each other, and the present hostility is primarily a consequence of the media war. What policy is behind those media is another question, however. It is precisely all the media that contributed equally to the occurrence of hostility. The causes of the conflicts will have to be analyzed when there is peace, but now it is necessary to do everything possible to prevent conflicts and the intensification of the hostility. It is necessary to track down and punish criminals, regardless of which party they belong to. That task should be left to impartial international arbitration, which can appoint an international court for war criminals.

[Latal] You said that all the media contributed equally to sowing hostility between Muslims and Croats. In your party's last communique, you only condemned the reporting of the state media in Sarajevo. Didn't you also have an opportunity to follow other media, for instance in Zagreb?

[Komsic] We addressed the Bosnia-Herzegovina state media, because we think that they are the media of all the peoples and citizens of Bosnia-Herzegovina. That is why they should be aware that their reporting is harmful, and that through it they are actually jeopardizing the integrity of the Bosnia-Herzegovina state. That campaign was a prolonged one, and one could sense that those media had an anti-Croatian attitude. We may not agree with the policy of Croatia or Herceg-Bosna, but the media should not sow hostility toward the Croatian people because of that, since a considerable part of its members perhaps do not support that policy either. It is necessary to spare peoples and preserve them, but that policy most affected the population, poor people, and their goods.

#### Proposal To Revise Law on Citizenship

93B41002A Ljubljana DNEVNIK in Slovene 3 May 93  
p 3

[Article by Meta Roglic: "Fewer Slovene Citizens?"]

[Text] *The revision of the procedures under Article 40 should only remove the mistakes; the "new policy" on citizenship is not supposed to be a consequence of the changes in the ministry's leadership.*

Ljubljana, 3 May—In the middle of April, the Slovene Government discussed a proposal to determine a policy on implementing the Law on Citizenship that was prepared by the Ministry of Internal Affairs. There were several reasons for preparing this document. As we were told by M.A.

Slavko Debeljak, director of the Interior Ministry's Administration for Administrative-Legal Affairs, in implementing the Law on Citizenship, granting citizenship, and solving problems in the area of citizenship it is urgently necessary to have specific political guidelines and starting points, which, however, cannot be written down in the law.

The Law on Citizenship, which was adopted as part of the package of independence legislation, did not anticipate things that occurred later on the territory of the former Yugoslavia, including the fact that Slovenia would become a very interesting country for many people from the other republics of the former Yugoslavia. Thus, under the liberal Article 40 of the Law on Citizenship, more than 160,000 individuals who were citizens of other republics acquired Slovene citizenship, and now have dual citizenship. That is why the proposal that has been prepared by the Ministry of Internal Affairs particularly emphasizes the issue of how to regulate dual citizenship. In addition to the dual citizenship issue, the document also contains proposals for resolving several other open issues.

Among all the applicants for Slovene citizenship, 95 percent are citizens of other former Yugoslav republics. Under Article 40 of the Law on Citizenship, in addition the Ministry has also received about 8,000 applications for naturalization. Most of these applications were submitted by citizens of the other former SFRY republics who live here, but did not submit applications within the period of six months after the adoption of the Law on Citizenship, and by citizens of other republics who also live there, but cite the Slovene nationality of one of their ancestors. There are several reasons why there are still many applications for Slovene citizenship; the most important are certainly obtaining a Slovene passport, obtaining advance payment of a military pension, the right to "free" health services, the right to unemployment compensation, the right to free education, the possibility of employment without a permit.... All individuals who apply for Slovene citizenship are supposed to request dual citizenship. That is why the Ministry of Internal Affairs proposed, and the Slovene Government, according to Andrej Ster, state secretary in the Ministry of Internal Affairs, also specified as one of its primary tasks, the preparation of a law that would regulate the issue in connection with dual citizenship. That draft law will be among the first ones that will be prepared by the Ministry of Internal Affairs, and it is also supposed to come before parliament even before the summer vacation. The law is to specify, according to the materials, that all individuals who have already obtained Slovene citizenship and who at the same time also have other countries' citizenship must offer proof of the termination of their former citizenship within a specified period; the alternatives range from two to five years. In the Ministry's opinion, this would substantially reduce the number of Slovene citizens who obtained citizenship under (the liberal) Article 40, since all those who intend to return after the crisis in the SFRY is settled, and those who have families or property in other republics, would not be enthusiastic about terminating their citizenship in other republics.

Will it then be all over for dual citizenship in Slovenia? We know that most states make an effort to reduce the number of people with dual citizenship, but have other states also decided upon such a restrictive route? According to Slavko Debeljak, the most restrictive ones in Europe are Germany, Austria, Switzerland, and the Scandinavian states.... "Most states, both European and others, follow the concept that it is necessary to prevent dual citizenship, not in order to interfere with individuals' rights, but simply because of the difficulties that arise because of dual citizenship. Specifically, no state wants an individual to exercise the privileges that that state offers him in a specific situation, and in other cases the privileges that another state offers."

And if a person is unable to obtain a release from his previous citizenship? According to the director of the Administration for Administrative-Legal Affairs, it is now stated in the law in regard to the granting of citizenship through naturalization (Article 10) that those who prove that release from their previous citizenship would cause a tremendous material consequence for them, or mean something that is not feasible, can document this and then things can also be resolved without the release. The individual also has to make a statement that he renounces his previous citizenship.

"In the future law, we will probably also cite some similar possibility."

The Ministry's proposals that were discussed by the Slovene Government also indicate that along with the request for a decision on Slovene citizenship, there will also be a review of the procedures carried out under Article 40. According to Slavko Debeljak, all the records are to be reopened again, and it is to be determined whether there are any facts which, if they had been known at the time that the decision was made, could have led to a different decision. "It is not a question of abuse of the legislation, of bribery, which some people criticized us for, especially during the campaign period. Bribery, in fact, was not even necessary, since for obtaining citizenship under Article 40 there were two conditions so liberal that anyone, so to speak, could obtain citizenship. It is a question of whether the authorities made any kind of mistake. Of course, in this context we will also determine whether anything was done illegally, unprofessionally, incorrectly, and possibly also at the expense of favoritism toward someone, even though, for instance, not all the conditions were met. We thus view the audit as a sort of inspection of the things that we did, and an elimination of mistakes, and not as an audit in the sense that we will take away from anyone what he obtained, since we are also prevented from doing that by the constitution, which specifies that changing things retroactively is constitutionally unacceptable."

Slavko Debeljak emphasized that the new proposals were not a consequence of changes in the Ministry's leadership, and were not caused by the arrival of Minister Ivan Bizjak or State Secretary Andrej Stern; they only want to follow international standards.

## Federal

### Electric Company Charges Interest To Raise Money

93BA1003B Belgrade POLITIKA in Serbo-Croatian 24 Apr 93 p 11

[Article by Momcilo Cebalovic: "How To Find Money for the Serbian Electric Power Industry: Looming Scandal With Charging of Interest"]

[Text] *The electric power industry is seeking around \$60 million for urgent and necessary repairs, and they are aware that this cannot be gotten through the price of electricity, but rather only through prime issue; has interest been charged even to consumers who have regularly made the prescribed advance payments; the electric power industry must clarify the "recipe" that it has applied.*

The citizens who have lately been receiving bills for the consumption of electricity during the winter season, increased by interest charges that many call a scandal, especially charges when there were not even any arrears in payment, are one of the sources of money for the Serbian electric power industry [EPS], which is encumbered by major financial problems. We will see to what extent the deceived citizens who paid for their electricity on the 21st, for example, thinking that they were only one day late, but were charged interest for 13 days, will be willing to trust in the EPS arguments.

It is a fact, however, that the electric power industry is asking the Serbian government to quickly come up with around \$57 million for necessary repairs to important energy installations. If the repairs are not made, no one can guarantee that there will be enough electricity next winter. Similar warnings were heard several days ago at the Chamber of Serbia, not for the first time.

Of that money, \$27.8 million would go to repairs to thermal power plants, \$10 million would go to hydroelectric plants, \$2 million would go to transmission installations and the network, \$13.8 million would go to mines and equipment, and \$3 million would go to the distribution network. This powerful system, the EPS emphasizes, with fixed assets estimated at \$10 billion (they recently said \$15 billion), which, as they often point out, is not insured because there is no money, produces electricity each year worth \$2 billion, measured in world prices. Material support for this system, which is being shaken by a serious financial crisis for the second straight year (this corresponds to the shift of social policy to the electric power industry and elsewhere), is urgently necessary. But even producers are becoming aware of the fact that such support cannot be obtained by raising prices alone. Soon, they say, there will be no electricity for anyone to pay for. So where does one get the money?

By printing money at Topcider. If it were not for prime issue and the issue of loans based on it, the EPS would have truly collapsed this past winter, taking us with it. These loans, which have long since fallen due, are not being repaid, nor will they be repaid, since they can be repaid only through new loans. From where? From prime issue. Only part of the

rise in expenditures has been covered by increases in the price of electricity of 150 to 200 percent. The prices of input raw materials and equipment are rising at a significantly faster pace than the price of electricity, but it is quite certain that inefficiency in the EPS itself accounts for part of the major expenditures, and like it or not, this will eventually become a point of discussion.

From the figures that we will cite, it is clear that rarely has any electric power industry operated "in the black," regardless of how it has functioned. The lag in the generation of electricity has amounted to at least \$90 million. Major firms, which are also major consumers of electricity but are not paying for it, have become co-owners of the EPS (of the state), since Dr. Radoman Bozovic converted debts for electricity into initial capital investment. On this basis, the EPS went without 22 billion dinars (the value of the dinar at the end of December). Repairs to capacities in areas affected by war took 16 billion while deliveries of unpaid-for electricity in these areas accounted for another 30 billion dinars. As much as 60 percent of the price was lost through the payment of bills for electricity consumed as much as 50 days earlier. Discounts denied them another 30 billion dinars in income. The price was not realistic, but wages are not up to Western standards either, so that consumers and the electric power industry must come to terms.

"In order for the 'Djerdap' public enterprise to produce 6.5 to 7 billion kilowatt hours this year, we implore, we beg that 7 million marks be provided for urgently necessary repairs. As much as half of that will go to maintaining the area around the river banks, while half will be for the repair of 28 machines in this public enterprise," explains Stanisa Paunovic, the director of "Djerdap," noting that there is not even any money to replace the cabling at "Vlasina," which was laid in 1955-56.

Several days ago, Kladovo was blocked by the residents of surrounding towns, whose water supply problem is not being solved by "Djerdap." Naturally, the problem is money. Paunovic says that because of debts to the printing plant in Kladovo, the necessary forms are sent to the EPS main office in Belgrade, so "they should get used to it." But money is being sought from producers of electricity, who have no money, by the electricity line fund for the protection of the areas on the river banks (50 percent of revenues), while insurance is asking for 25 percent, natural annuity amounts to 10 percent, the tax on the company and the use of city land is also 10 percent.... But this land, Paunovic, has been under water for 25 years now.

There are also problems in the "Kolubar" basin. They have asked for \$47 million to uncover the land below a stratum of lignite and for all other repairs and adjustments. Without that, there is not enough oil for Obrenovac power plants. This wish was probably "made out of whole cloth" judging from the \$60 million for the entire EPS. It would take a long time to write about the EPS problems. Still, plenty has been heard about them. They really need money. But...

To put it mildly, citizens in recent days have been very exasperated by the way in which interest was charged during the winter period, when payments made after the 20th of the

month carried a "penalty" for the period after the 8th of the month up to the payment date, and thus not from the 20th, which was the deadline; furthermore, they will be unable to pay their astronomical electric bills. The advance bills for May, which are currently being sent out to citizens, are rarely less than 700,000 to 800,000 dinars. With the qualification that this is the amount that applies only until prices are readjusted. If May prices are to be harmonized with the inflation rate in April, then the EPS will come up with a demand for price hikes of no less than 200 percent, and perhaps even more. Thus, May advance payments, which we made on 23 May, would reach a level of 1.5 to 2 million dinars. With an increase (in mid-May) of 200 percent, June payments at the beginning of that month would be around 2.2 to 2.5 million dinars.

This is especially so because the new way of paying for electricity is not good either, just as the back payment method was not. Why pay for a commodity—electricity—in advance, which is currently the case? Is it possible that state institutions, and the EPS is a state firm, cannot harmonize payment deadlines with the outlay of money in the budget for pensioners and for workers on mandatory leave? Even the current deadline, the 23d of the month, in unconnected to the payments of pensions, advances... This is not something that the EPS can decide on its own, nor is it deciding it, even though that is the impression, since the government wants to "wash its hands" of price adjustments and similar decisions. Thus, an adjustment in the deadline for the payment of bills to correspond to the payment of pensions and other revenues is essential. This should either be the first day of the following month, or the payment of bills every 15 days should be introduced, because of inflation.

The bitterness felt by consumers, and many of them have contacted us in recent days, has also been provoked by the charging of interest on alleged tardiness. Why has the EPS charged interest beginning on the 8th instead of the 20th of the month? What legal acts are the basis for EPS general director Dusan Jovanovic devising such a "recipe"? We will seek answers from the EPS.

It is clear that the EPS has the right to seek remuneration, but we wonder whether EPS has ever, for example, remunerated any consumer when his household appliances have "died" due to a loss of electricity, a sudden increase in voltage.... There must be clear accounts between consumers and the EPS, especially in these times. This is the concern of the EPS administrative board, and it must get to work on this. One of the subjects that it must tackle is the scandalous charging of interest for late payments that were not late and for sticking to a deadline (the 8th) that they set aside by publicly accepting the recommendation of Serbia's top man in December 1992.

[Box, p 11]

#### Source of Tax on Interest Penalty

Tardy consumers of electric energy from "Elektroistribucija" are threatened not only by interest penalties on unpaid electricity, but also by an additional fine in the form of a 7 percent tax on the interest penalty.

It is precisely this tax penalty that is causing the most confusion among the people. It is true that "Elektroistribucija" has found backing for this in the recent changes in the Law on Excise Taxes of the Republic of Serbia. Specifically, in early March the deputies to the People's Assembly determined the interest rates on the basis of debtor-creditor relations and the service subject to taxation. What service this involves and who performs what service for whom could probably be debated. But under the letter of the law, a 7 percent tax must be paid on income that "Elektroistribucija" collects from late payers based on interest, but the tax, even the one on a service, is always borne by the user of the service. Here the user of the service is the citizen who pays for electricity on time, while "Elektroistribucija," as the legal taxpayer, will simply forward the money from tardy people to the state budget.

In this way, the state has imposed a new penalty on its increasingly impoverished people: First, it rubber-stamps a price hike for electricity, then it collects a three percent excise tax on the electricity, then it allows "Elektroistribucija" to increase the debt for electricity through astronomical interest, and finally it devises a way to earn a few dinars for its budget from this miserable situation.

—by S.C.

#### Macedonia

**Adviser Views Macedonian International Policy**  
AU2505182793 Bratislava PRAVDA in Slovak 20 May 93 p 8

[Interview with Nikola Todorcevski, adviser to the Macedonian foreign minister, by Jan Skoda; place and date not given: "Imperial Logic in the Balkans"]

[Text] Last summer, the Macedonian Republic submitted its application in the UN for membership of the international community. Long months of disputes with neighboring Greece, who did not agree with the adopted name and state symbols of the Balkan republic, were ended by a compromise at the beginning of April. Until a final solution is adopted, the Macedonian state will bear the temporary name: "Former Yugoslav Republic of Macedonia." We spoke about the problems of its international position with Nikola Todorcevski, adviser to the Macedonian foreign minister.

[Skoda] Former French Foreign Minister Roland Dumas advised your President Kirov Gligorov to seek help in the UN.

[Todorcevski] In the EC, it was very difficult to overcome the obstacle represented by the rejective stance of Greece on the recognition of the name of our state. The EC, however, expressed its willingness to help us. The EC's course of action was legitimate and they proposed a more efficient solution in our case. It was not only Dumas who suggested the solving of our problem in a different manner. This is why we decided to revive the process of negotiations in the UN, and the result has appeared.

[Skoda] What is the essence of the "Macedonian" problem, in your opinion?

[Todorcevski] Our problem would not be difficult to solve with the help of modern political concepts. However, the imperial logic of the 19th century is interfering with the solution of the problems in Eastern Europe. We must decide which type of thinking we will prefer. Certain power structures need to refer to the past to justify the fact that they are rejecting the name of our state. It is as if the French should return to the period before the fall of the Bastille, or Britons to the time of Mary Stuart. If the international community accepts arguments of the past, then many of the problems of those times will return to Europe sooner or later. This will not be good for Europe as a whole.

[Skoda] Greece is suggesting that you put some attributes before the name Macedonia, for instance, Slavic Macedonia. Is it not one of the possible solutions?

[Todorcevski] I am not convinced of it, since the residents of Macedonia are of several nationalities, and we want to create conditions for consensus for as long a span of time as possible. Even at the beginning of this century, the Macedonian liberation movement against Osman supremacy declared the equality principle for all ethnic minorities. If we said, on the eve of the 21st century, that Slavic Macedonia is our country, this would inevitably mean that those who are not of Slavic origin would be pushed to the margins of society. This would only fuel the long lasting problem that exists in our country. This would immediately induce tension in our relations with Bulgaria, Serbia, or Albania. Those are proposals, however, that appeared only in the Greek press. The Greek Government has not indicated, as yet, that it would accept such a name.

[Skoda] The Greek public and political circles—with the exception of communists, maybe—are refusing to accept Macedonians as a nation. What do you think?

[Todorcevski] Of course, this can weaken our efforts to establish stable relations with Greece. Someone could, in the same way, question whether Greeks are a part of Hellenic culture, or whether they are a residue of the Turkish invasion. Those are not serious methods of discussion, however, which we should employ. What would we achieve by such questioning of our relations? We are neighbors and we want to have as good relations as possible. This is our priority.

[Skoda] What is the role of Turkey in this dispute?

[Todorcevski] Turkey is a country which was best able to organize its economy and the social potential in the Balkans. In our opinion, it is playing a very positive role in the region. The Turks are very careful and they approve of the EC standpoint on our problem, despite the fact that they apply the same political principles as the EC. They did not cease to maintain relations with us, based on equality. They offered us several projects, such as, for instance, to open a joint

bank, trade chamber, or build a direct railway connection between the two countries, in which we are very interested from the viewpoint of the development of our country.

[Skoda] In the opinion of some, in the Balkans there are two opposing blocks of countries being created. On one hand, Serbia and Greece, on the other, Turkey, Albania, Bosnia-Herzegovina, and Kosovo. To which side is Macedonia inclined?

[Todorcevski] I believe this is a simplification. Those are apparent efforts to ease the pressure of the international community on what is going on in Bosnia-Herzegovina and explain the entire conflict in a simplified way, as a conflict of interest of two groups. I believe it was Turkey who chose a different way from that applied by European policy, despite the fact that, in Bosnia-Herzegovina, Muslims are being murdered. The fact that Turks murdered people 500 years ago does not mean that this should be the case today. Such an interpretation of the alleged return of the "Turkish oppression and violence" is used by Serbian nationalists when they speak about fundamentalism in the Balkans and a Turkish presence. Unfortunately, we do not have access to Western media to be able to explain that we do not have to "defend ourselves against Turks," or "listen to Milosevic."

[Skoda] From Ankara, we have heard that Turkey will train the Macedonian Army. Can you confirm this and explain why the Macedonian government took this step?

[Todorcevski] This is an agreement on increasing the level of [education] of military cadres, and not on the training of all of our army. When the Yugoslav Army was leaving Macedonia, they left us only old rifles. We do not have enough qualified officers. We have to organize a new army. If France, for example, or another country offered us help, we would accept it. However, no one, except Turkey, has done so.

[Skoda] Some UN observers affirm that, for Macedonia's security, streams of Albanian refugees from Albania and Kosovo, who are becoming more radical in their nationalist demands, represent a greater danger than neighboring Serbia.

[Todorcevski] Serbian authorities force Albanians to leave for Macedonia. This policy of ethnic cleansing causes great problems for us.

[Skoda] The Albanian minority in Macedonia is prepared to help their "brothers" in Kosovo in the case of a military confrontation with the Serbian Government. This way, Macedonia could be dragged into a war with Serbia, could it not?

[Todorcevski] Something similar has already happened: Serbia is helping its brothers, is it not? This is a general scheme, as usual. However, the situation never repeats itself. I am not sure whether there would be an immediate response in the case of Albanians. But, sooner or later...who knows?

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